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Relief Offered to U.S. Earthquake Victims

AU1910183089 Sofia BTA in English
1741 GMT 19 Oct 89

[Text] Sofia, October 19 (BTA)—Mr Lyuben Gotsev, deputy minister of foreign affairs, today received Mr Sol Polansky, U.S. ambassador to Bulgaria, and on behalf of the Bulgarian Government offered some help for those affected by the disastrous earthquake in North California. He reaffirmed the sincerest condolences upon the natural calamity and the resulting loss of life and extensive damage to property.

The ambassador thanked for the readiness to render assistance and for the sympathy. He assured the Bulgarian deputy foreign minister that the offer will be immediately brought to the notice of the U.S. Administration.

Zhivkov Greets GDR's Krenz on Election

AU1910170189 Sofia BTA in English
1636 GMT 19 Oct 89

[Text] Sofia, October 19 (BTA)—Mr Todor Zhivkov, secretary general of the Central Committee of the Bulgarian Communist Party, sent a cable of greetings to Mr Egon Krenz on the occasion of his election for secretary general of the Central Committee of the Socialist Unity Party of Germany.

I wish you sound health and great successes in your highly responsible work for the innovation and further development and strengthening of the socialist society in the German Democratic Republic.

I am convinced that the traditional relations of fraternal friendship and cooperation between the Bulgarian Communist Party and the Socialist Unity Party of Germany, between the People's Republic of Bulgaria and the German Democratic Republic will continue to develop and deepen in the future to the benefit of our peoples, of the work of socialism and peace.

Atanasov Receives CSSR Deputy Premier

AU1910202289 Sofia Domestic Service
in Bulgarian 1830 GMT 19 Oct 89

[Text] On 19 October Georgi Atanasov, chairman of the Council of Ministers, received Karel Julis, CSSR deputy premier, chairman of the State Commission for Scientific-Technical and Investment Development, and chairman of the CSSR part of the Bulgarian-CSSR Committee on Economic and Scientific-Technical Cooperation. The meeting was attended by Stoyan Ovcharov, minister of planning and economy and chairman of the Bulgarian part of the committee.

Civil Rights Activists Stage Sofia Rally

AU2010080589 Vienna Domestic Service
in German 0600 GMT 20 Oct 89

[Text] Bulgarian civil rights activists staged a public rally for the first time yesterday without police interfering. About 150 people gathered in a park in Sofia. They called for the observance of human rights. Numerous plainclothes policemen observed the demonstration.

Zhivkov Receives Chief Mufti Gendzhev

AU1310191889 Sofia BTA in English
1657 GMT 13 Oct 89

[Text] Sofia, October 13 (BTA)—Mr Todor Zhivkov, secretary general of the CC [Central Committee] of the BCP [Bulgarian Communist Party] and president of the State Council, received Dr Nedyo Gendzhev, the chief mufti of the Muslim denomination in Bulgaria.

During the talks Mr Todor Zhivkov dwelled on some basic moments in the process of restructuring in our country's socio-political, economic and spiritual life, on Bulgaria's achievements and the further prospects of development. It was noted that all Bulgarian citizens: Unreligious and religious ones from the various denominations are active participants in the processes of renewal, builders of Bulgaria's better future and of our people's prosperity. [sentence as received] The people's power is constantly pursuing a policy of respect for the religious feelings of all religious Bulgarian citizens which is guaranteed by the Constitution and corresponds to the country's international engagements.

It was specially emphasized that all religious communities, the Muslim included, can freely practice their customs and rites. Particular attention in the talk was paid to Bulgaria's consistent policy to establish a lasting peace in the Balkans, in Europe and the world. The great significance was stressed of our country's relations and contacts with the Arab and other states where the Islam [as received] is an important political factor. Conviction was expressed that the Bulgarian Muslims will contribute ever more actively to the development and deepening of cooperation between Bulgaria and these states.

The chief mufti submitted to Mr Todor Zhivkov the declaration, adopted at the extended session of the supreme religious council of the Muslim denomination, which was held in Sofia on August 30 this year. He informed Mr Zhivkov on the results from the session at which there were Muslim clergymen from all over the country and chairmen of Bulgarian Muslim trustees. They expressed their thankfulness for the fact that the Muslim religion is not only freely professed in the country but is also respected and promoted by the state. All Muslims freely perform their religious rites and celebrate their holidays.

The participants in the session expressed their full support to the policy of building of civilized and goodneighbourly relations with Turkey at the complete observation of the Vienna agreement. On behalf of the Bulgarian Muslim clergy, on behalf of the religious people and on behalf of himself Dr Nedyo Gendzhev thanked once again for the complete freedom of the Islamic religion provided by the Bulgarian state and the rendering of moral and material support to the Muslim population.

Leaders' Public Appearances for 4-13 Oct

AU1610095089

[Editorial report] Sofia Domestic Service in Bulgarian in its newscasts, the Sofia press, and Sofia BTA in English during the monitoring period from 1600 GMT on 6 October through 1600 GMT on 13 October report the following public appearances of Bulgarian leaders (sourceline of each report given in parentheses):

The following leaders attended a GDR National Day reception in Sofia on 4 October: Georgi Atanasov, Milko Balev, Dobri Dzhurov, Stoyan Ovcharov, and Georgi Yordanov. (Sofia RABOTNICHESKO DELO in Bulgarian 5 Oct 89 p 6)

Milko Balev and Dimitur Stanishev welcomed 'Ali Salim al-Bid, general secretary of the Central Committee of the Yemeni Socialist Party (YSP), at Plovdiv Airport on 9 October (Sofia Domestic Service in Bulgarian 1830 GMT 9 Oct 89), and saw off the delegation at Sofia Airport on 12 October. (Sofia Domestic Service in Bulgarian 1600 GMT 12 Oct 89)

Georgi Atanasov and Petko Danchev took part in a Council of Ministers' meeting on plan fulfillment in Sofia on 10 October. (Sofia Domestic Service in Bulgarian 1830 GMT 10 Oct 89)

The following leaders attended a ceremony in Sofia on 10 October at which Todor Zhivkov presented a Bulgarian order to YSP leader 'Ali Salim al-Bid: Milko Balev, Grisha Filipov, Emil Khristov, Dimitur Stanishev, Dimitur Stoyanov, and Yordan Yotov. (Sofia Domestic Service in Bulgarian 1830 GMT 10 Oct 89)

Georgi Atanasov gave a dinner in Sofia on 11 October for Uzakbay Karamanov, chairman of the Council of Ministers of the Kazakh Soviet Socialist Republic (SSR), which Stoyan Ovcharov attended. (Sofia RABOTNICHESKO DELO in Bulgarian 12 Oct 89 p 6) With Stoyan Ovcharov present, he received FRG Research and Technology Minister Dr Heinz Riesenhuber in Sofia on 12 October. (Sofia Domestic Service in Bulgarian 1830 GMT 12 Oct 89)

Todor Zhivkov, with Stoyan Ovcharov present, received FRG Minister Riesenhuber in Sofia on 13 October. (Sofia BTA in English 1504 GMT 13 Oct 89)

Todor Zhivkov, general secretary of the Central Committee of the Bulgarian Communist Party (BCP) and chairman of the State Council, held talks in Berlin on 7 October with Nguyen Van Linh of the SRV, Nicolae Ceausescu, and Daniel Ortega (Sofia BTA in English 1840 GMT 7 Oct 89), attended a GDR anniversary reception, and later that day returned to Sofia. (Sofia Domestic Service in Bulgarian 2000 GMT 7 Oct 89) (Sofia BTA in English 1529 GMT 8 Oct 89) In Sofia on 10 October he conferred with YSP leader 'Ali Salim al-Bid. (Sofia BTA in English 1901 GMT 10 Oct 89) In Sofia on 12 October Zhivkov received Kazakh SSR Premier Karamanov. (Sofia Domestic Service in Bulgarian 1000 GMT 12 Oct 89)

Georgi Atanasov, member of the BCP Central Committee Politburo and chairman of the Council of Ministers, received the Mongolian and Indian ambassadors in Sofia on 6 October. (Sofia Domestic Service in Bulgarian 1600 GMT 6 Oct 89) In Sofia on 11 October Atanasov held talks with Kazakh SSR Premier Karamanov (Sofia Domestic Service in Bulgarian 1830 GMT 11 Oct 89), and received leaders of delegations to the session of the CEMA Commission on Cooperation in Electric Power and Nuclear Power Engineering. (Sofia BTA in English 1620 GMT 11 Oct 89) In Sofia on 12 October Atanasov received Vladimir Shimko, minister of the radio industry of the USSR. (Sofia Domestic Service in Bulgarian 2000 GMT 12 Oct 89)

Milko Balev, Politburo member and secretary of the BCP Central Committee, saw off the Communist Party of Cuba delegation led by Jorge Risquet Valdes at Plovdiv Airport on 7 October. (Sofia RABOTNICHESKO DELO in Bulgarian 8 Oct 89 p 2)

Dimitur Stoyanov, Politburo member and secretary of the BCP Central Committee, attended a meeting in Sofia on 10 October to open the Month of Bulgarian-Soviet Friendship. (Sofia Domestic Service in Bulgarian 1830 GMT 10 Oct 89)

Petko Danchev, candidate member of the BCP Central Committee Politburo and deputy chairman of the Council of Ministers, received in Varna on 11 October chairmen of CEMA countries' central banks. (Sofia BTA in English 1835 GMT 11 Oct 89)

Andrey Lukanov, candidate member of the BCP Central Committee Politburo and minister of foreign economic relations, held talks with Miguel Orta y Costa, a Portuguese foreign trade official who ended his visit on 10 October. (Sofia BTA in English 1923 GMT 10 Oct 89)

Georgi Yordanov, candidate member of the BCP Central Committee Politburo and deputy chairman of the Council of Ministers, welcomed the Kazakh SSR delegation at Plovdiv Airport on 10 October, and toured Plovdiv with them. (Sofia Domestic Service in Bulgarian 1830 GMT 10 Oct 89)

Jakes Telegram to GDR's Krenz on Election

AU2010110389 Prague RUDE PRAVO in Czech 19 Oct 89 p 1

["z"-signed report: "Congratulations to Berlin"]

[Text] Prague—Milos Jakes, general secretary of the Communist Party of Czechoslovakia [CPCZ] Central Committee, sent a telegram of congratulations to Egon Krenz on his election as general secretary of the Socialist Unity Part of Germany [SED] Central Committee. The telegram states:

Dear Comrade Krenz,

In the name of the CPCZ Central Committee and in my own name, I sincerely congratulate you on your election to the post of general secretary of the SED Central Committee.

I am pleased to be able to use this occasion to express the conviction that, under the leadership of our fraternal parties, the comprehensive cooperation and friendship between the CSSR and the GDR and between the people of the two countries will continue to develop and grow in strength.

I wish you, esteemed Comrade Krenz, good health and many successes in your responsible work for the benefit of the people of the GDR, socialism, and peace.

Limit of GDR Visitors 'Still Valid'

LD1910224889 Prague CTK in English 2051 GMT 19 Oct 89

[Text] Prague Oct 19 (CTK)—The temorary limitation of the trips of GDR citizens to Czechoslovakia is still valid, Czechoslovak Foreign Ministry spokesman Lubomir Marsik said at a press conference here today.

More intensive traffic on the border crossings is the consequence of the autumn holidays in the GDR. Many GDR citizens have also paid in advance [for] their holidays or spa treatment in Czechoslovakia. Further solutions to the question of refugees are being dealt with at present, he said.

Answering the question of foreign journalists concerning the cause of the visit of Yasir 'Arafat to Czechoslovakia, Lubomir Marsik said that the discussions have been published in full extent and pointed out that it is an official friendly visit of the Palestinian president.

CPCZ Delegation Talks With Argentinian CP

AU1910143289 Prague RUDE PRAVO in Czech 18 Oct 89 p 1

[Text] Buenos Aires (CTK)—Talks held here on Monday [16 October] between representatives of the Communist Party of Argentina [CPA] and the Czechoslovak Communist Party [CPCZ], headed by Michal Stefanak, were devoted to issues connected with the international situation and an exchange of views on the current developments in the socialist countries.

The representatives of the two sides briefed one another on the position of the CPA and the CPCZ, and discussed the possibility of further mutual cooperation. The CPCZ delegation also held talks with representatives of the Federation of Communist Youth on cooperation between the two countries' youth organizations.

2 Civil Rights Activists Arrested in Prague

LD1810191389 Prague Domestic Service in Czech 1730 GMT 18 Oct 89

[Text] According to information from Major Jiri Belohlavek, press spokesman in the Federal Ministry of Interior Affairs, an investigator from the Public Security Corps in Prague began criminal proceedings for a crime of sedition in connection with the circulation of illegal texts from the so-called Movement for Civil Liberties.

A charge was brought against five people from Prague. A house search was conducted in an apartment belonging to one of these people and further written evidence was seized. Two persons were arrested on the decision of a procurator of the Prague City Procurator's Office, the other three are being prosecuted without being arrested. The investigation continues.

DPA Reports Hajek Arrest

LD1810111289 Hamburg DPA in German 1009 GMT 18 Oct 89

[Text] Prague (DPA)—The Czechoslovak civil rights campaigner, Jiri Hajek, who was foreign minister during the "Prague Spring" of 1968, was detained yesterday and only released after hours of interrogation. According to the International Society for Human Rights (ISHR) in Frankfurt am Main, Hajek, along with four other activists from the Czechoslovak-Helsinki Committee: Vladislav Lis, Jan Stern, Zdenek Jicinsky and Bedrich Placak, met in Prague, to prepare for a meeting today with representatives of the International Helsinki Federation (Vienna). All of the civil rights campaigners' documents were apparently confiscated.

Last Saturday [14 October] five activists of the "Movement for Civil Liberties" were detained in Prague. Vladislav Maly was released after hours of questioning. His fellow activists Ales Sulc, Pavel Naumann, Tomas Zelinka and Ivan Masek are still being held in custody today, according to the ISHR.

11-12 Oct CPCZ CC Plenum Speeches Published

Knotek on Environment

AU1810081189 Prague RUDE PRAVO in Czech 13 Oct 89 pp 3, 4

["Report of the Communist Party of Czechoslovakia Central Committee Presidium on Party Policy in Creating and Protecting the Environment," delivered by Ivan Knotek, member of the Presidium and secretary of the Communist Party of Czechoslovakia Central Committee, at the 15th session of the Communist Party of Czechoslovakia Central Committee in Prague on 11 October]

[Text] On the agenda of today's session of the Communist Party of Czechoslovakia [CPCZ] Central Committee are problems of the creation and protection of the environment. This is the first time that these problems are being discussed as a separate issue at a Central Committee meeting. This is because they are the subject of general public interest, an integral part of the socioeconomic development of society, and an important political issue.

The aim of today's session of the CPCZ Central Committee is to consider all aspects of the acute problems of the environment; to review the implementation of tasks laid down by the 17th party congress; and to set out the specific aims of the CPCZ's policy in the creation and protection of the environment for the period to come and, in particular, to project them into the preparation and implementation of the Ninth 5-Year Plan.

In preparing today's session, we made full use of the experiences of territorially based party bodies. Their approach thus far shows that they devote the appropriate attention to these issues. This is confirmed by the fact that, since the 17th party congress, 5 regional and 77 district party committees have dealt, at separate sessions, with the solution to current environmental problems. We also proceed from the experiences of National Front organizations and national committees and from a number of proposals and suggestions made by citizens. Leading experts from scientific institutes and state and economic bodies, members of the CPCZ Central Committee Commission for the Creation and Protection of the Environment, and deputies to representative bodies and national committees participated in the preparation of materials. Many ideas were obtained thanks to the activity of the mass information media, particularly thanks to RUDE PRAVO, which organized a survey [on environmental issues] in the run-up to this session.

The Problems of the Protection of Nature Must Not Be Dealt With in Isolation

Proceeding from the overall situation in our country and in the world, we deem it necessary to stress that in examining environmental issues one must evaluate the results attained comprehensively, adhere to objectivity, and must not yield to manifestations of negativism and hopelessness. The present threat to life on our planet is a global problem, which must not be dealt with in isolation. Halting the pollution of the atmosphere, water resources, and soil and the impairment of other natural resources requires understanding, goodwill, and the mutual cooperation of individual countries, cooperation resulting in the implementation of specific technical, legal, and economic measures.

The first steps in international cooperation have already been achieved. This is confirmed by the conclusion of important agreements between the USSR and the United States which, for the first time in postwar history, will lead to the elimination of many types of destructive weapons, open up the process of disarmament, and thereby contribute to a general improvement in the international atmosphere. This is a result of the long-term efforts and active peace policy of the Soviet Union and other socialist countries, including Czechoslovakia, as well as of world public opinion at large.

The resources released from military budgets can be used to improve people's lives and to tackle ecological problems on a global scale, as these problems pose a threat to the human race as a whole.

The historical reality is that it was precisely the long-term industrial development of capitalism that led to the buildup of the present problems in the world. This is why, through the pressure that various ecological movements are bringing to bear on them, the advanced capitalist states are today forced to expeditiously make amends for the situation. Our country, too, was part and parcel of this industrial development which, after 1948, became our foundation for the building of a strong material and technological base. For objective reasons, we too are therefore obliged to actively tackle all the negative consequences of industrial development. However, we cannot agree with having this process—which is common to all industrially advanced countries—misused today to exert political pressure on the socialist countries, including Czechoslovakia.

The CPCZ understands the solution to ecological problems not as a singular and non-recurring affair, but as a long-term and comprehensive program, which proceeds from the premise that it is in the interest of mankind to maintain a stable equilibrium between the overall activity of society and the individual components and aspects of the environment.

Our country is located in the heart of Europe, the continent with the greatest concentration of harmful substances. Our industry, too, contributes its share to this. However, at the same time many harmful substances get to our territory from other states, as a result of long-distance transfers. Science has furnished clear evidence that every case of the ecological equilibrium being upset is preceded by a longer-term development and that some causes precede, sometimes by a wide margin, the time when the damage begins to make itself felt. Today's environmental problems must therefore be seen objectively in the context of the historical development not only of our state and of Europe, but actually in the context of the historical development of the world at large. Thanks to revolutionary changes in science, our knowledge has greatly improved over the past decade. The political and economic conditions have also changed. All this also exerts its influence on our approaches to the solution of ecological problems.

The complexity of the problems with which our society had to cope after 1948 is generally known. We say openly that, without the development of heavy industry, chemistry, and large-scale agricultural production, we would not have achieved the present economic and living standards and would have not been able to guarantee the defense capability of the state. However, from the viewpoint of present knowledge, we realize that we did not succeed in eliminating in good time and to a sufficient degree the impact of the extensive development of the national economy on the environment. These aspects were not always duly appreciated in practice, despite the fact that our party has been dealing with the problems of the environment since the early sixties. At the 12th and 13th party congresses, care for the environment was billed as an important constituent part of the socialist way of life.

At its 15th congress, the party described the preservation of the basic values of the environment and of the wealth of nature as the great obligation of all citizens. At the same time, it stressed the need to more resolutely limit the harmful influences on the environment which accompany the development of industry, transportation, and the industrialization of agriculture. It is a pity that the managerial bodies of state administration and the enterprise sphere did not respond to the demands of the congress in the appropriate way.

The 17th congress meant a turning point in the perception of the urgency of environmental care. It postulated "the protection and creation of the environment as one of the key aspects of increasing living standards and as an inseparable component and basic prerequisite of socialist care for man." At the congress the demand was stressed for an improvement in the quality of the management of the environment and an improvement in its individual components, especially the atmosphere, water, soil, and forests.

These demands by the congress arose from the present state of the environment in some industrial parts of Czechoslovakia, which we consider to be serious.

We are worried by the state of health of parts of the population, especially by the growing incidence of vascular diseases and by the slow increase in the average lifespan, especially among men. As a consequence of discharged fumes and emissions, the biological equilibrium has been upset in the industrial conurbation of northern Bohemia, in Prague and its surroundings, in the Jizerske and Krkonose mountain ranges, in the Ostrava area, in Ziar nad Hrnom, Bratislava, Kosice, and elsewhere. This is why the question of the quality of the environment was included at the 17th CPCZ Congress among the national economic priorities in formulating the socioeconomic strategy of the CPCZ's policy.

In harmony with the conclusions of the congress, federal and republican concepts have been drawn up for the creation and protection of the environment and for the rational use of natural resources through the year 2000. An analysis of the state of the environment which has been carried out has revealed that the specific problems of the national republics must be respected when deciding on remedial measures.

The Czech Socialist Republic suffers from a very highly polluted atmosphere, especially by sulfur and nitrogen oxides, as a result of the extraction and burning of more than 90 percent of Czechoslovakia's brown coal in its heating plants and power stations. The Slovak Socialist Republic suffers from heavily polluted waterways. Because of a lack of effective cleaning equipment, only 40 percent of the produced pollution passes through effluent treatment plants. To come to terms with the neglected problems in the purity of the air and water, and in the eliminatiopn and recycling of waste, a state program of ecological investments had been adopted for the 1985-90 period, and for its implementation more than Kcs17 billion worth of work and deliveries was to be carried out. In addition to this, investment projects had been included in the Eighth 5-Year Plan [1986-90] which deal with the problems of noise and transportation, with the reconstruction of dust collectors, with conversion from coal to gas, and with the expansion of long-distance heating supplies. Other technological measures, such as the phasing out of ecologically objectionable production lines, and so forth, were also to be taken.

It is possible to state that the gradual implementation of the adopted measures is beginning to make itself felt in some positive results. The share of nuclear power and of clean fuels, particularly of natural gas, in the fuel and power base has grown. The Federal Government has made decisions of principle on the expansion of long-distance heat supply and conversion to gas in the Prague conurbation and in selected districts of North Bohemia.

Some important ecological projects have been completed in the Eighth 5-Year Plan, including the de-dusting [odprasneni] of the heating plant of the Klement Gottwald New Steel Mill in Ostrava and of the cement plant in Mokre; the water regime of the Tesla plant in Roznov; the elimination of exhaust fumes in the Krompachy Metallurgical Works; or the construction of a city effluent treatment plant in Bratislava and of an incinerating plant for solid refuse in Kosice. A number of projects approved by the governments of the Czech Socialist Republic and the Slovak Socialist Republic have also been implemented.

Together with other measures, these projects have contributed to a decline in the overall contamination of the atmosphere by fly ash. Despite the growing volume of industrial production in the first 3 years of the 5-year plan, thanks to the growth in the capacity of effluent treatment plants we have managed to maintain the level of the pollution of waterways at the level of the end of the Seventh 5- Year Plan and, in some localities, even to improve it somewhat. The growth in the contamination of surface waters by individual polluters has been halted. Progress has been made in the introduction of biotechnological methods of treating sewage water. Important water management projects, water-supply systems, and anti- flood measures have been implemented. As for the forest economy, the area of bare spots has been reduced and the overall area covered by forests has been retained, thanks to intensive afforestation. Despite aggravated emission conditions, the production ability of forests has been preserved. The area of protected zones and national parks has expanded—they now cover more than 15 percent of the entire territory of our republic. Circular communication links have been built in a number of places and the modernization and reconstruction of city centers has made progress. Pedestrian zones are being set up. The activity of citizens in the implementation of ecological projects within the Z-project [community self-improvement program] has increased. Some results of our scientific-research base, too, have contributed to the solution of environmental problems. The engineering base has developed building-block system [stavebnicove] effluent treatment plants, the problems of fluid combustion are being worked on, and effective electric separators of fly ash are being installed. The construction of communal refuse reprocessing plants has started, and so forth.

Despite these positive results, which cost our society a great deal of effort and formidable financial resources, a decisive breakthrough in the improvement of our environment has not taken place yet. The conclusions of the congress concerning a reduction in the emissions of sulfur dioxide are not being sufficiently implemented. We demand that communists in the Federal Government and in the two republics' governments thoroughly analyze the present situation and adopt energetic measures to comply with Czechoslovakia's international commitment to reduce emissions of sulfur dioxide 30 percent by the year 1995.

We are alarmed by the delays in the planned construction of city effluent treatment plants. The areal [plosne] pollution of water resources caused by residues from fertilizers and chemical plant protection agents being washed away continues to be a serious problem. The number of accidents resulting in the pollution of water resources has doubled, compared with 1985. The cost of eliminating their consequences has exceeded Kcs0.5 billion in the last 3 years. The investigations of their causes show that most of them are of a subjective nature. This has been confirmed by investigations into the accidents at the rivers Odra, Nitra, Labe, Vah, Nisa, and others.

Enforcing Consistent Control, More Rigorous Penalties, and More Effective Measures

Therefore, we cannot tolerate any longer expressions of lack of technological discipline, carelessness, and noncompliance with legal measures and norms. More rigorous action must be taken against the culprits and compensation for the damage they cause must be demanded. People's Control Committee bodies and the bodies involved in criminal proceedings ought to deal with these issues even more actively. Attention must be focused, in particular, on preventive measures, including the maintenance and modernization of equipment. A social and economic atmosphere must be created which is conducive to improvements in the quality of the environment. To promote a more active use of natural resources and reduce the contamination of the environment, it is necessary to enforce the principle that economic organizations should defray not only the direct costs which they inflict on the environment by their production activity, but the total social costs.

In this respect, we expect the responsible leading workers, particularly those in economic organizations, to change their approach decisively. Primary party organizations, primary organizations of the Revolutionary Trade Union Movement, and self-management bodies must check more consistently on how senior managers fulfill their duties. National committees cannot assume a conciliatory attitude toward polluters of the environment and reduce or even exonerate penalties or fines proposed by inspection agencies or health officers.

We also cannot be satisfied with the course of implementation of the state program of ecological projects in the Eighth 5-Year Plan, because more than 50 percent of the planned volume of work remains to be done in the years 1989 and 1990. The negative tendencies which accompany capital construction in the CSSR as a whole operate here and are even accentuated by the specific characteristics of these projects, which are mostly not interesting for the subcontractors economically. This is why in the future we will have to change both the economic instruments and the overall planning and technological concept of ecological projects and succeed in fulfilling the tasks set by the plan. This concerns, in particular, the completion of such ecological projects as the desulfurization of the Tusimice II power station, the putting into operation of the incinerating plant for solid communal refuse in Brno, the protection of underground waters in the Slovnaft plant in Bratislava and on Rye Island [area along the Danube in southern Slovakia], or the implementation of ecological measures in the Chemko plant in Strazske. Also at stake is the completion of the effluent treatment plants in Ostrava, Pardubice, and Kosice, and other important projects.

To a large extent, the unfavorable fulfillment of tasks is a result of the fact that State Target Program A 12—The Creation and Protection of the Environment—has not been comprehensively finalized. In formulating this program, the State Commission for Scientific-Technical and

Investment Development and the State Planning Commission did not succeed in having the former federal ministry of metallurgy and heavy engineering, the two republics' ministries of construction, and the Ministry of Industry of the Czech Socialist Republic push through the reinforcement and development of the necessary supplier capacities which could favorably contribute to fulfilling the tasks as early as toward the end of the current 5-year plan.

Where are we to look for the causes, comrades? Why are the measures that have been adopted with a view to protecting the environment not sufficiently effective?

The main cause is the irresponsible and in many cases virtually ruthless attitude by economic organizations and individuals to nature and to the territory where they live and work. This testifies to a generally low standard of legal and ecological awareness and to a lack of discipline and order on the part of a considerable portion of citizens as well as functionaries. The most serious cause is the inconsistent fulfillment of the resolutions adopted by party bodies, governments, and national committees. The urgency of the solution to ecological problems is also caused by the high material- and energy-intensiveness of the national economy, for which the departments of fuels and power, metallurgy, heavy chemistry, and agriculture bear a great deal of responsibility. It is also these departments that place the greatest burden on the environment. Another important cause is that enterprises have been inadequately ensuring the improvement of the disrupted environment and looking after the socioecological needs of the population, and have been delegating this responsibility to the state.

The fulfillment of ecological measures has not become a constituent part of the evaluation of the activity of economic organizations. The planning agencies, too, have not been playing the expected role in establishing conditions for the implementation of ecological projects. In addition, the national committees and the ministries responsible for individual components of the environment have not been using all their legal powers in implementing measures to improve the environment.

The fulfillment of tasks set out in the Directive for Safeguarding the Comprehensive Restructuring of the Economic Mechanism, approved by the seventh session of the CPCZ Central Committee, with respect to the attainment of more effective management in the creation and protection of the environment and the rational use of natural resources is being delayed. The system for a uniform and coordinated state policy in this area has not yet been created. The independence of state inspection agencies for the central bodies which manage national economic branches and complexes has not been ensured. Payments to the state for drawing on the natural components of the environment and the rules for the economic stimulation of economic organizations have not yet been fixed.

The experiences from the Eighth 5-Year Plan have taught us many lessons about what needs to be done to achieve a qualitative turnaround.

Structural Changes in the National Economy Will Help

A contribution to a substantial improvement in the environment in the ninth and subsequent 5-year plans will be made by structural changes in the national economy. They should, above all, reduce the energy-intensiveness of production and gradually convert the technological and technical base to ecologically clean production processes and zero-waste technologies through the development of ecological engineering and other branches. The principles of restructuring must also be fully projected into the practical solution of ecological questions.

For this to happen, it is necessary that the central agencies work out a set of effective economic instruments—that is, subsidies, grants, credits with advantageous terms, loans, tax breaks, and rebates on levies and customs duties—which would encourage the economically accountable sphere to introduce ecologically more suitable technologies. We consider it expedient to set up a system of environmental funds. At the same time, it is necessary to responsibly consider how to project the levies and payments connected with environmental care into the price system. The aforesaid set of measures must be prepared by the federal and the two republics' governments in due time, so that its implementation can be experimentally tested as a model in 1990 and introduced at the beginning of the Ninth 5-Year Plan.

An important role will be played by Communists in the State Planning Commission and in the Czech and Slovak Commissions for Planning and Scientific-Technical Development. In drawing up the program of structural changes and planning large investment projects, they must respect ecological requirements. This is one of the most urgent tasks that will be facing us in the years to come. A preliminary volume of Kcs30 billion worth of work on and deliveries to selected ecological projects is contemplated for the Ninth 5-Year Plan; these investments will be targeted on the crucial sources of environmental pollution in the most severely affected industrial conurbations.

However, even today it is necessary to create the necessary material and financial resources for the implementation of this target through the fulfillment of the tasks of the national economic plan. This presupposes effective cooperation between Communists in the State Commission for Scientific-Technical and Investment Development and the State Planning Commission with those in other federal bodies in drafting the State Program of the Development of the Environment for the Ninth 5-Year Plan. Together with Communists in the republican bodies, they must see to it that this program is comprehensively provided for in terms of the needed research, design, and, in particular, supplier capacities.

To limit the negative impact of production complexes and individual branches of the national economy on the environment, we deem it necessary that Communists in the central agencies focus their attention, energetically and with commitment, on the following tasks in particular:

Within the department of the Federal Ministry of Fuels and Power it is necessary to safeguard the construction of nuclear power stations as an essential part of structural changes. In conjunction with the launching of nuclear power stations, they must gradually reduce electricity production in conventional power stations based on fossil fuels. They must thoroughly analyze the present state of construction of the Mochovce and Temelin nuclear power stations and expeditiously adopt and implement measures to reduce the delays in their construction. With the active participation of the two republics' governments and national committees, they must work out and adopt as a binding norm the principle that nuclear power stations also serve as a source of heat for the surrounding towns and villages. Experts estimate that the use of the Jaslovske Bohunice, Dukovany, Temelin, and Mochovce nuclear power stations as a source of heat supply would allow us, after the year 2000, to conserve more than 1 million tonnes of standard fuel equivalent annually. This would not only mean the saving of more than 3 million tonnes of coal every year, but also an active reduction of atmospheric pollution. In selected power stations and heating plants, it is necessary to gradually increase the efficiency of their output, in harmony with the long-term concept of care for the environment in the CSSR, and introduce technologies which reduce emissions of nitrogen and sulfur oxides. The process of conversion [from coal] to gas and the expansion of long-distance heat supply must be promoted. Permanent attention must be devoted to reducing emissions of dust from dust heaps, and full use must be made of the positive experience from the reclamation of land around Havirov and Most.

Within the department of the Federal Ministry of Metallurgy, Engineering, and the Electrotechnical Industry, it is necessary to concentrate primarily on structural changes in production and on the modernization of the production base, which will, as a consequence, significantly contribute to an improvement in the ecological situation. We consider the most important task to be the development of ecological engineering and the utilization of some of the disused capacities of special production for this purpose. In the automobile industry, it is necessary to speed up the development and production of parts which are needed to move toward the operation of passenger cars using unleaded gasoline and to gradually fit catalytic converters to passenger cars built in Czechoslovakia.

Urgent tasks are also in store for the Federal Ministry of Transportation and Communications and the entire transportation sector in complying with the ecological criteria set by the relevant legal provisions, norms, and international agreements. In building communication links and the infrastructure, in particular, it is necessary to attend to their suitable integration into the landscape and the territory, and to minimize the preemption of agricultural land. An important measure will be the further expansion of the electrification of railroads and of city mass transport by means of streetcars and trolley buses. The use of gas to propel means of transport in the most severely exposed places must be tackled more actively.

Within the ministries of agriculture and food, it will be necessary to adopt a set of technical, technological, and ecological measures to make even more effective use of land resources, to raise the bioenergetic [bioenergeticky] potential of soil fertility, to reduce soil erosion by water and wind, and at the same time to make more competent use of pesticides and other chemicals, expand biological methods of plant protection, and more quickly introduce modern biotechnologies into the production of foodstuffs. Extraneous substances in the food chain must be reduced to a minimum. Energy and material costs must be reduced and the overall ecological stability of the landscape must be attended to. The good experiences of leading agricultural cooperatives and state farms from the enhancement of the farms' working environment must be fully developed.

Within the Ministries of Forestry, Water Management, and the Wood-processing Industry, it is necessary to implement the measures that have been adopted to deepen comprehensive care for the forest economy. The extent of logging should not exceed the forests' actual production capacity, and the other functions of the forest, besides timber production, must be safeguarded. In the production branches of these departments it is necessary to minimize negative influences on the environment. Rational use must be made of water resources, and regular supplies of water to the public and the national economy must be ensured. Care for the quality of surface and underground water and protection of water resources must be improved.

From the Communists in the Czech Socialist Republic and Slovak Socialist Republic Ministries of Industry we demand, above all, that they ensure the priority development of the production of specialty and fine chemicals and introduce technologies and new types of production that do not harm the environment. With this in mind, they should introduce mandatory screening of products for toxicants.

Within the ministries of construction and the building industry, it is necessary to conceptually solve and implement measures minimizing the negative effects of the production of building materials on the environment. Use must also be made [in the production of building materials] of the by-products from installations protecting the environment. The creation of supplier capacities for the implementation of ecological projects must be ensured.

Within the ministries of the interior and the environment, it is necessary to adopt without delay measures to improve the quality and secure the comprehensive management of environmental care and improve coordination and the other functions arising from their sphere of competence. It is necessary to conceptually deal with and implement in the subordinated organizations measures that are aimed at eliminating and making a more effective use of refuse. The activity of enterprises of the local economy must be aimed at acquiring capacities for the needs of implementing the ecological projects in local conditions.

The active solution to ecological problems also fully concerns the non-production branches and national committees. The point is to succeed in having ecological questions everywhere become an inseparable part of the activity of each enterprise and organization.

In a Coordinated and Competent Manner

To increase the social prestige of environmental problems, and to deal with them in a comprehensive manner, it is necessary to finalize by the end of this year at the latest—also in connection with the transition to the restructured economic mechanism from 1 January 1990—those questions concerning the management of the environment at the federal and the republican levels. The essential need for an active solution is confirmed by the fact that this question has increasingly been becoming the target of criticism on the part of the public and deputies to the Federal Assembly and the Czech and Slovak National Councils. The low standard of the execution of state administration in environmental matters and the fact that the organizational changes in the sector of the environment instituted in 1988 have not yet brought the expected results have also been pointed out at sessions of the Central Committee, territorially-based party organizations, and primary party organizations.

We recommend that Communists in the Federal Government and the republican governments expeditiously adopt legal and organizational measures to resolve once and for all the sphere of competence of the bodies that will be fully responsible for the management of these issues.

Following up on the results of the 14th session of the CPCZ Central Committee, we arrived at the conclusion that it would be correct if, at the federal level, the State Commission for Scientific-Technical and Investment Development fully guaranteed the uniform and coordinated management of all agencies which are active in the sphere of the environment.

We proceed from the principle that the management of environmental care in our state should consistently respect the territorial principle, that is, that the center of gravity of the solution to environmental problems should be located in the organizational structures of the republican governments and in the national committees. Federally administered economic organizations—state enterprises—should be responsible for compliance with all norms connected with the environment to those republican bodies on whose territory they engage in their entrepreneurial activity.

We place high demands on the Communists in national committees, on improving the quality of their work and on the competence of elected bodies and of the apparatus in securing the comprehensive development of the territory under their jurisdiction. As the administrators of the territories entrusted to them, national committees are obliged to decide with full responsibility on environmental issues and on the rational use of natural resources. They must take more vigorous action against those who willfully disrupt the environment.

We appreciate the fact that the number of ecological projects built within the Z-project is steadily growing, for which the national committees deserve credit. A great deal of work in enhancing towns and villages and in planting greenery has been done thanks to this initiative. In the last 3 years, 138 effluent treatment plants have been built and more than 4,500 km of water supply pipes and some 1,500 km of drainage pipes have been laid. However, in implementing these projects national committees continue to come across the shortage of design and building capacities, building materials, and financial resources as well as, frequently, the unwillingness of some organizations which operate on the territory under their jurisdiction to pool their resources and thereby participate in improving the environment. In the future, we will not be able to afford to tolerate such attitudes on the part of enterprises. The national committees' relations with local enterprises, cooperatives, and other organizations are based on the legal obligation to cooperate in the economic and social development of the territory in question. It is therefore the duty of economic organizations to fully respect the decisions of national committees aimed at improving the conditions for citizens' lives.

Within the framework of the restructuring of the economic mechanism, conditions are being established for the economic initiative of the enterprise sphere. At the same time, it is necessary to reinforce the economic and administrative instruments available to national committees.

The center is facing the urgent task of preparing and making available to national committees instruments which, on the one hand, would allow them to exert an effective influence on the economy in the interest of national and local needs and, on the other, would provide incentives for the economic sphere to cooperate with national committees and would create scope for entrepreneurship in desirable directions—that is, including entrepreneurship that benefits the environment.

Improving the management of environmental care requires that legal provisions, too, react in the appropriate way to the new conditions. Most Czechoslovak legal norms in this sphere are progressive and comparable with the world. Changing technological processes and social and economic approaches require, however, that the law provide even more effective assistance to active care for the environment and that it reinforce the protection of the values of nature. It is therefore necessary, also in conjunction with the work on the draft of a new CSSR Constitution, to expeditiously finalize the legal norms because, to a formidable extent, these norms will determine the further development in the practical solution of these processes. What needs to be done even today, however, is to increase demands on compliance with legal norms and increase responsibility in approving exemptions from legal norms. Observance of working and technological discipline must be consistently demanded and personal sanctions applied in the event of violations.

We do not see a solution to environmental problems in technological, legal, and organizational measures alone, but are directing the attention of the whole party and of society to making sure that, in improving the environment, priority is given to the protection and care of people's health. The impact of the environment on the state of health of the population has been conclusively demonstrated in all industrially advanced states and, also in our country, the negative impact of the deteriorating environment has made itself felt in a number of localities. The environment, however, is not the only cause [of health problems]. The other causes are a lifestyle with risk factors such as smoking, stress, unhealthy heating habits, social relations, and working conditions. In many places the quality of health services is lagging behind the needs, and this is aggravated by the inadequate provision of technological equipment for health care establishments. Preventive care, too, is not always ensured at the required level and with good quality. Our duty as Communists is to exert a more active influence on people's minds so that substantial changes are carried out in looking after one's own health. I am thinking, in particular, of a long-term struggle against the influence of alcohol, smoking, and drug abuse.

Health offices [hygienicka sluzba] play an irreplaceable role; their tasks in attending to healthy living and working conditions will logically grow. Their activity must be given full support.

Applying the Results of Science and Technology Faster and More Resolutely

We link the urgency and the prospects of a solution to environmental problems with a more resolute application of the results of science and technology in practice, in modern designs and technologies. The Czechoslovak Academy of Sciences Institute of Geology and Geotechnology, for example, has developed a method, as well as functioning pilot equipment, for treating waste water from metallurgical plants. Unlike similar foreign installations, it permits continuous operation and can be used 25 percent longer. The Prague workplace of the Czechoslovak Academy of Sciences Institute of Landscape Ecology has developed and successfully tested the operation of stations to monitor environmental pollution, whose specifications exceed those of foreign products. The Slovak Academy of Sciences Institute of Experimental Biology and Ecology has come up with a new method, based on enteroviruses, for the highly accurate measurement of the quality of drinking and surface water.

The Klement Gottwald Ironworks in Ostrava-Vitkovice has completed the research and mastered the technology for the production of state-of-the-art sorting equipment for solid communal waste.

We appreciate the work carried out by the Water Management Research Institute in Brno in developing effluent treatment plants and eliminating excrement, work which removes our dependence on imports of such equipment from capitalist states. Also exemplary are the results of environmental improvement projects that have been achieved by the Paper and Pulp Research Institute in Bratislava, the Research Institute of Nuclear Power Stations in Trnava, and the chair of organic chemistry at the Pardubice Chemical Technology College.

In spite of this, scientific-technical development and the production practice still have a lot to do for the environment. We cannot be satisfied with the fact, for example, that the Research Institute for Fuels in Bechovice has not yet completed research into the reliable operation of the magnesite-based method for desulfurizing gaseous waste in the Tusimice II power station. With the exception of the Sigma Olomouc state enterprise, the necessary expansion of capacities for the production of ecological equipment has not been achieved in our engineering. An inquiry by the CSSR People's Control Committee revealed, for example, that in the Eighth 5-Year Plan the Chepos state enterprise was to produce over Kcs850 million worth of water management equipment. Only 50 percent of this volume will be implemented. Similarly, the production of equipment for the protection of the atmosphere in the Skoda plant in Ostrov ad Ohri has declined 11 percent in the last 5 years, even though it is profitable. The assessment and the conclusions made at the 14th session of the CPCZ Central Committee apply fully to this branch of industry and we demand that the conclusions be consistently implemented by everyone.

We are appealing to Communists, but also noncommunists, among the scientists working in basic research to continue to concentrate their research on the acquisition of more profound knowledge about the relations, laws, and processes in the "nature-man" system, so as to allow us to better predict the consequences that human activity will have for the environment. We expect the Czechoslovak Academy of Sciences and the Slovak Academy of Sciences to make an active contribution to devising and introducing an effective monitoring system on the whole territory of Czechoslovakia.

The CPCZ Central Committee demands that the Communists in central bodies and economic organizations concentrate their efforts on the quality preparation and realization of the vital construction projects in the Ninth 5-Year Plan, above all for desulfurization of waste gases, purification of waste waters, elimination and recycling of solid communal wastes, and on the construction of processing plants.

Society's exacting demands on the environment must be fully projected into capital construction. This demand is also connected with the higher material and financial security of investments. This is a fact that concerns all participants in the investment process. The state will financially support and subsidize only selected projects within the framework of the ecological program. We cannot continue the existing practice whereby the state pays for everything. And this also applies to enterprises which, granted temporary exemptions, are discharging water and emissions. Therefore, all investors, without exception, are duty bound to resolve ecological factors when planning projects. To do this it is necessary to improve the work of the state-appointed experts, an important part of which also comprises ecological expertise.

Another necessary condition is enhancing the standard of architecture and urbanization, creating a better cultural and esthetic environment for the housing of all citizens, and actively modernizing cities and villages.

To do this it will be necessary to work out suitable construction systems and ensure the production of quality construction elements. Economic organizations—be it industrial, construction, transportation, or agricultural enterprises or cooperatives—play the vital role. In their activities it is necessary to combine production tasks with the responsibility for water and land management, as well as for the purity of the atmosphere, and for handling what results from their production and their wastes.

We consider it expedient to work out and implement an ecological program in and for every enterprise, proceeding from professional management, and technological processes that ensure harmony with legal norms in the sphere of the protection of the basic components of the environment and the care for people's health. In the enterprise sphere we must consistently implement the principle that he who spoils the environment must bear the economic and legal consequences of this.

Ecological problems in enterprises cannot be resolved without the committed work of the party bodies and organizations, without Communists in the Revolutionary Trade Union Movement and self-management, and without all ranking personnel who will guarantee the consistent fulfillment of the demands expressed in the laws on state enterprises, on cooperative, production, consumers', and housing cooperatives. Achieving positive results requires the improved effectiveness of mass political work and of the public assessment of problems pertaining to the working and living milieu, specifically at worksites, a matter that should be positively reflected not only in the work of the ranking personnel, but also in the work of all employees in enterprises and cooperatives, in their increased work, and in technological and civic responsibility for that problem.

The Meritorious Work of the National Front Organizations

The organizations of the National Front play an important role when it comes to solving urgent ecology-related issues. Comrade Milos Jakes, chairman of the CPCZ Central Committee and chairman of the CSSR National Front Central Committee, underscored their mission when he said:

"By means of the election programs, the Z project, and the checking activity, broad scope is given to the national committees and, together with them, to the National Front and the political parties and social, cooperative, and special-interest organizations that are affiliated within it, as well as to work collectives and various civic activities and movements to help nature in the activity to solve ecological problems."

The CPCZ Central Committee fully supports the declaration of the joint session of the Central Committees of the National Front of the CSSR, the Czech SR, and the Slovak SR, which addressed problems connected with the environment and is aimed at further intensifying the collaboration between the National Front and national committees, state bodies and economic organizations, at making the National Front a party to decisionmaking in the adoption of measures and solutions in the process of democratization, and at having the National Front's bodies and organizations submit their own suggestions and recommendations for resolving ecological problems and consistently monitoring their implementation. That, too, is one of the ways to strengthen the role of the National Front as an important component of our political system, as a platform for the broad application and expansion of socialist democracy with the citizens' active participation.

We positively appreciate the approach of the Socialist Youth Union and of the young people involved in the Brontosaurus Movement who are looking after the renewal of forests in afflicted regions and who are helping to preserve our cultural heritage, for example in Cierny Balog, Zubrnici, Zviretici, and so on. We appreciate the activity of YOUNG PEOPLE'S SPOTLIGHT in resolving environmental problems. The nature conservationists' unions and the hunters' and fishermens' unions also carry out meritorious work, first and foremost, in caring for natural parks and in protecting threatened plants and animals. Thus, they make a contribution to renewing the country's ecological stability.

We expect that the National Front organs and the organizations affiliated in it will show even more initiative and even more purpose in coming up with the proper suggestions and recommendations for dealing with environmental problems, and will actively participate in guaranteeing them.

Further Steps In International Cooperation

We are paying extraordinary attention to the development of ecological cooperation among the states of central Europe. We fully acknowledge the fulfillment of the adopted international agreements and the Final Document from the Vienna CSCE follow-up meeting. Our initiative is also confirmed by the results of the meeting between experts and government members from neighboring countries with responsibility for the environment, a meeting which took place in Prague in the first half of this year on the basis of a proposal put forward by Ladislav Adamec, the CSSR premier. The memorandum adopted at the Prague conference is for us, just as it is for neighboring countries, a commitment and a valuable impetus toward intensive cooperation in environmental issues. The Czechoslovak initiative has met with a positive response from neighboring states. The potential for cooperating in setting up joint natural parks, for dealing with border waterways, and the opportunities for exchanging technology and information were discussed. The first specific results are already coming through, such as the creation of joint production enterprises. The exchange of information has improved and mutual monitoring and evaluation of the state of individual elements of the environment is being consolidated. We envisage that economic organizations, in particular, will be successful in making use of the opportunities for international cooperation for the benefit of the environment and to ma?e changes in the structure of manufacturing. An example can be provided by the Prerov engineering works which are developing their ecological program on the basis of cooperation with the Saarberg-Holter-Lurgi consortium from the FRG, and have already established the OTES joint enterprise. This cooperation will make it possible to accelerate the introduction of effective desulfurization technology that has been proven in practice. The 200-megawatt unit at the Pocerady power station will be the first to be desulfurized by this method. This is an example which our engineering base should follow.

In the structure of Czechoslovak manufacturing, the production capacity of the large engineering units in the state enterprises such as CKD Dukla, Vitkovice, Sigma, Skoda Plzen, and others is beginning to be adequately supplemented by the innovative enthusiasm of the progressive research institutes, the smaller enterprises, and individual agricultural collectives in the manufacturing of ecological equipment.

However, it is essential to make greater use of the opportunities for cooperating with enterprises and research institutes from the CEMA member states in dealing with matter-of-fact problems, in establishing mutual trade with ecological equipment and technologies, and in creating an effective division of labor in their development and production.

The Tasks On Which We Are Concentrating Our Attention

Proceeding from the analysis of the current state of the environment in the CSSR, we consider it essential, under the conditions of restructuring, to introduce unified guidelines, a rational and functional arrangement, and a high level of competence and expertise into dealing with environmental problems. At the same time, it is necessary to unite the broad circle of social forces to resolve environmental problems in a factual manner.

We are proceeding from a concurrence of views on dealing with environmental problems in a responsible manner, views expressed at the sessions of the National Front Central Committee, the Federal Assembly, and the Czech and Slovak National Councils. We support the measures adopted by the CSSR, Czech Socialist Republic, and Slovak Socialist Republic Governments for guaranteeing the concepts of creating and protecting the environment, and for making rational use of natural resources up to the year 2000.

At present, we regard it as vital that the Communists and all the managerial employees in the central organs and the manufacturing and non-manufacturing branches concentrate their attention, first and foremost, on these very pressing tasks:

1. Throughout the country it is necessary to put an end to the deteriorating quality of the fundamental elements of the environment and to create during the Ninth 5-Year Plan the social and techno-economic conditions for its gradual improvement. In dealing with ecological problems, it is necessary to devote the main priority to the most afflicted areas and to selected ecological projects. It is essential to pay particular attention to improving the quality of the atmosphere and of water. It is necessary to deal with the collection, recycling, and utilization of waste products.

2. It is necessary to make use of the structural changes in our national economy by reducing demands for energy and for raw and processed materials in order to fundamentally improve the ecological situation. It is necessary to construct branches of the ecological industry, particularly the engineering, chemical, and biotechnological branches, through active participation in the international division of labor. It is necessary to develop technological recycling systems and waste-free technology.

3. While drafting the fundamental program documents for further socioeconomic development and the proposals for the state plans, it is necessary to lay down the main directions for environmental care in conjunction with the development of manufacturing forces and the application of the results of science and technology in the national economy. It is necessary to determine long-term ecological norms and limits and to formulate state orders for economic organizations, orders which proceed from the state programs for development. It is necessary to provide for the coordination of economic activity with ecological requirements so that every decision respects

social interests and is oriented toward establishing the people's good working conditions. It is necessary to improve the activity of state expert appraisal for this.

4. It is necessary to improve the quality of managing environmental care in the state administration, in the federation, and in the national republics. For this purpose, it is essential to quickly adopt measures for unified and competent management at federation and republican levels.

5. It is necessary to increase the authority and responsibility of the national committees for comprehensive environmental care and for harmonious territorial development; in selected investment projects in administered territories it is necessary to carry out a thorough ecological expert appraisal and to acquaint the public with its results, to highlight its role and, with the aid of the instruments of economic stimulation, to more effectively influence the behavior of organizations that damage the environment. It is necessary to eliminate tolerance and inconsistency in prosecuting those who do not adhere to the legal norms. At the plenary sessions of the national committees it is necessary to publicly discuss the ecological aspects of the manufacturing and technological projects that are to be carried out on the territory entrusted to them.

6. In the central organs of the federation and the republics it is necessary to thoroughly fulfill the tasks which proceed from the seventh CPCZ Central Committee session and which are explained in the directive on guaranteeing the comprehensive restructuring of the economic mechanism.

7. In the national republics and in the federation it is necessary to establish a unified system for gathering information and for monitoring the state of environmental care. It is necessary to set up a corresponding information system for this. It is necessary to make provision for a consolidated method of monitoring and evaluating the environment, and for improving the exchange of information on an international scale, as well as for the widespread flow of public information on ecological problems and the methods for their solution.

8. It is necessary to actively introduce preventive measures to improve the cleanliness of waters, to reduce atmospheric pollution, to protect forest and agricultural land, and to improve the quality of the living and working environment for the citizens' recreation and relaxation. For the effective utilization of solid industrial and communal waste as secondary raw materials, it is necessary to construct recycling plants and centers for the safe disposal of toxic waste. It is essential to reduce the use of freons and to gradually remove them from production.

9. It is necessary to activate the population for environmental care. It is necessary to include the problem of ecological education in the syllabi of schools at all levels and, with the aid of the National Front social organizations, to pay heed to extra-curricular ecological education and special interest activity, and to orient it toward increasing respect for the values of nature and our cultural heritage. It is necessary to conduct the ecological education process so that every citizen is aware of his role both in the workplace and in his place of residence, and so that he knows what benefits and what damages the environment and what influences the population's state of health in such a decisive manner.

10. It is necessary to thoroughly fulfill international undertakings, to create conditions for mutual trust and understanding between states, to make use of the exchange of information, and to develop cooperation in the production of ecological equipment.

11. It is necessary to intensify universal concern for environmental protection. It is essential not to permit a breach of the values of nature in national parks and in protected areas. It is essential to deal with the problems of the destroyed land and to provide for the country's ecological stability. It is necessary to rationalize the utilization of water resources and to see to their protection. It is necessary to pay particular attention to protecting and constructing the population's sources of drinking water. It is necessary to rationally utilize irreplaceable natural resources and to guarantee the protection of the forests and their functions outside of timber production.

12. It is essential to improve the quality of the people's health care and to orient it toward preventive measures, particularly in the most afflicted areas. For this it is necessary to give priority to creating material and cadre conditions. It is necessary to increase the number of doctors and health care employees, first and foremost, the number of those who come into first contact with patients. It is necessary to expand rehabilitation centers and to increase capacities for spa treatment. It is necessary to create the conditions for the development of the population's recreation and sporting activities. It is essential to orient educational work, first and foremost among the young generation, toward explaining the harmful influences of drug addiction, alcoholism, smoking, and irrational eating habits, as well as explaining active prevention in their way of life. It is necessary to increase the role of health and safety services while monitoring working conditions and the state of the environment.

Increasing Ecological Awareness and Morality

We are all convinced that it is necessary to actively deal with environmental problems. In the interest of achieving a qualitative turnaround, it is necessary that every decision we make in this regard be well though out and that it proceeds from realistic possibilities. We will make greater use of the opportunities for creative discussions and will conduct a dialogue on the ways of effectively valorizing society's material resources to improve the environment.

However, in nature conservation issues we must no longer tolerate organizational dilatoriness and the negligible initiative of some organs of state administration, enterprises, collectives, and other organizations. In party and state organs and in economic and social organizations it is necessary to thoroughly fulfill the tasks that were set out by the 17th CPCZ Congress and that will be adopted by the 15th CPCZ Central Committee session.

Our country has at its disposal considerable material, scientific-technical, and creative potential. It is necessary to utilize it thoroughly when dealing with the environment. We are proceeding from the fact that the restructuring of society and economic reform are establishing conditions for achieving fundamental progress in this sphere.

The values of nature are not private property but they are given to our generations. Therefore, it is necessary to involve every honorable citizen in their protection, utilization, and enhancement.

Our CPCZ welcomes every initiative that will contribute to the matter-of-fact resolution of environmental problems. But it will resolutely proceed against unrealistically destructive and, in substance, antisocialist stances that are being manifested in the activity of some so-called informal and illegal groups. We will proceed in this way because they are abusing our people's justified interest in improving the environment and they are disparaging the results of the honest labor of our working people, particularly our miners, steelworkers, agricultural workers, and others. They criticize everything and are against everything that is linked to the development of our socialist society. Their demagogy will stop at nothing. Today they are against thermal power stations, tomorrow they are against nuclear power stations, and they are also against hydroelectric power stations. Evidence of this is provided by their organized attacks on the construction of the Stonova coking plant, the Gabcikovo dam project on the Danube, and others. This does not mean that we should not take into consideration comments and suggestions that are well founded. But we must not give in to organized events that use ecological problems to conceal their true political aims.

The indispensable role of Communists is to stand at the head of a committed approach to developing ecological awareness and increasing the joint responsibility of all citizens for improving the environment. The young generation, in particular, must be won over for constructive solutions of ecology-related problems. Party bodies, especially the regional and district committees of the CPCZ and the Slovak Communist Party, and the CPCZ's primary committees, must improve their mass political work with people, increase demands on the work of Communists and ranking personnel, and on officials responsible for that sphere in enterprises, national committees, and central bodies. They must pay increased attention to forming public opinion, and put into practice the demand stressed by Comrade Milos Jakes, general secretary of the CPCZ Central Committee, at the session of the CSSR National Front Central Committee, that ecology must become a public affair. An active role in this respect is being played by the mass information media, which can—by means of objective information—markedly influence not only the elimination of shortcomings, but also the formation of ecological awareness among all the citizens. However, in no case can the media replace the everyday mass political work with the people.

The CPCZ Central Committee's draft resolution on the creation and protection of the environment determines the individual gradual steps and priorities in resolving this problem. We expect that, after these have been approved by the Central Committee, all Communists will elucidate the objectives in their everyday political-organizational work, ensuring the set tasks with initiative, and winning broad public over for their implementation.

Our CPCZ has come forward with an initiative designed to resolve ecological problems. We realize that this is a demanding and long-term process. Therefore, our duty is to improve the work of Communists in all spheres of social life in order to purposefully resolve the tasks contained in the national economic plan of the Eighth 5-Year Plan, and also fulfil this year's tasks in the state and the republics' concepts for the creation and protection of the environment, and to achieve this in order to make full use of the scope which the restructuring of the economic mechanism also creates for this sphere.

We are convinced that the 15th CPCZ Central Comittee session will significantly influence the further course of our party and the entire society when it comes to resolving the tasks connected with the creation and protection of the environment.

Pitra Views Restructuring

AU1910142389 Prague RUDE PRAVO in Czech 16 Oct 89 p 4

[Speech delivered by Frantisek Pitra, member of the CPCZ Central Committee and Czech Socialist Republic premier, at the 15th CPCZ Central Committee session held in Prague on 12 October]

[Text] Drafting the strategy and tactics of restructuring; choosing the correct pace for our course of action; on the one hand, overcoming impatient tendencies and, on the other hand, overcoming sluggishness—these are, without a doubt, the key issues involved in our present work. We all concur in the view that strengthening the unity of the party, increasing its capability for action, and intensifying its association with the people are only possible on the platform of the policy of restructuring. It is possible to assert the aims of restructuring only on the basis of the people's extensive social activity, activity that is stimulated by profound democratization. I am of the opinion that this process, whether we like it or not, is also associated, inter alia, with a different approach, an approach other than the one which many people have become used to in spheres such as the attitude toward non-party members and members of the other political parties as well as to the church and, last but not least, to the cultural front. In order that we succeed in overcoming the manifestations of alienation and indifference that have accumulated in our country, it is not enough to make the traditional appeals and convince those who are already convinced. First and foremost, we must get onto our side those who are still hesitating and who still have a wait-and-see attitude, those who today do not quite agree with us but tomorrow can and will agree with us when we convince them, on the basis of their own experiences, about the correctness of our policy and about the fact that we have really stopped putting up with the contradictions between words and deeds. In particular, we must strive to seek a common language with the young generation in order that it accepts, first and foremost, the qualitative development of socialism, as brought about by restructuring, as its long-term prospect.

The Czech Government's knowledge and experience confirm that restructuring is achieving ever wider support. But the people expect, sometimes impatiently, that we will not stop only at the so- called cosmetic changes but that we will thoroughly bring our outlined intentions to life. The people do not want to lose their social certainties and the achievements that socialism has brought them, although many people associate only what caters to their own comfort with socialism. The overwhelming majority of our citizens rejects the attempts to unsettle society and to whip up chaos and inflation. I am convinced that our people's real interest in constructively dealing with our problems represents a broad social basis for strengthening and developing socialism as well as for defending and increasing the party's leading role. Only restructuring's political potential can become the basis for the renewal and expansion of the assets of trust and of the party's support among the working people. In the party there is complete agreement that restructuring does not mean and will not mean a sell out of socialism and that it is impossible to give in to pressure from opposition antisocialist groups. Similarly, it is necessary to agree that the struggle to isolate these groups will be made easier if we fulfill the economic tasks better and more consistently eradicate everything that, to date, has placed a barrier between the party and the working people in the contents and methods of our work.

As far as the Czech Government is concerned, a lot of work still awaits us in highlighting its political character as an organ and executor of the policy of the National Front, a policy that expresses the interests of all groups of our population.

We must submit more to public discussion the resolution of the issues that the whole of society lives with. It is necessary to rely more on its scientific and intellectual potential in preparing and discussing alternative solutions to various problems. I would like to support the conclusions of the Presidium report concerning the nationality policy. From today's viewpoint, the historic significance of the fact that nationality relations in our country have always been resolved principally on the basis of the federative arrangement is particularly important. The united and fraternal cooperation between both our nations is our great asset. An asset which it is necessary to cherish. The experiences of our Soviet comrades graphically demonstrate how easy it is to play on nationalist strings.

Naturally, in the Czech Socialist Republic Government's activity we are paying primary attention to the development of the Czech Republic. It is no secret in the Czech Republic, partly due to the influence of its share in dealing with nationwide problems, that serious disproportions have accumulated, disproportions which have to be dealt with immediately. These concern the outdated and raw material, energy, investment, and ecologically demanding manufacturing structures; the necessity of resolving the neglected housing stock; the infrastructure; the politically very sensitive problem of the Western border area; the necessity of reconstructing a number of towns; and, first and foremost, the backwardness of a number of the vitally important functions of our capital city, Prague.

We are devoting considerable attention to these issues. Much has been done and is being done. However, their urgency demands an even more concentrated endeavor and that the necessary material and systemic prerequisites be established for this. This must be done under the new economic mechanism.

What we regard to be most important today is not to lose the trust of the economic sphere in the applicability of the center's given word. We realize that this is one of the important prerequisites for effective party work in enterprises and in districts. Even under complicated conditions, we must guarantee the principles of restructuring and of our further progress forward.

I consider the inclusion of ecological policy issues on the agenda of our proceedings to be of the utmost validity and necessity. I want to give the assurance that the Czech Government is paying extraordinary attention to ecology. Recently, we rendered very specific accounts from our activity to the Czech National Council.

Our experiences—for example, the response to the Government's decision not to permit construction of the Krivoklat water project or the transmitter at Palava—indicate what kind of social dynamism ecological issues have today and what kind of attention and interest they arouse in people. It is extremely correct that we included an ecological stream in National Front policy and that we identify with the justified demands of the nature conservationists.

On the other hand, we reject demagogic attempts to politically abuse ecological problems. There is no reason for us to allow ourselves to be pilloried by enemy propaganda. Other industrial regions in Europe have complicated ecological problems as a consequence of classic industrial development. However, this cannot conceal the seriousness of our current problems and the necessity of substantially increasing our efforts to resolve them.

In this regard, the situation in the Czech Republic is particularly serious, a republic where 95 percent of the nationwide extraction of brown coal and practically all of the extraction of bituminous coal, where almost 85 percent of electricity is produced from highly sulphuric fuels, and where other branches that produce considerably damaging substances are concentrated in a relatively small area.

The consequences of the above for the state of the environment, for the quality of the atmosphere, for the degree of damage done to forests, water, and soil, and, particularly, for the population's state of health are grave and also sufficiently well known. It is important, on the basis of the decrees from the 17th congress, that subsequent Central Committee sessions are beginning to assert, not without difficulty, a turnaround in approaches to the environment and that the first partial results are being achieved.

For example, emissions released into the atmosphere in the Czech Republic have been reduced by roughly nine percent as opposed to 1985. The level of pollution affecting waterways has also been reduced and important decisions have been made to convert Prague and the North Bohemia region to gas. There is also movement forward in the construction of effluent treatment plants and in other spheres. We are expanding the flow of public information on ecological issues. In the government we have already discussed several times, in harmony with the conclusions of the proceedings of the Czech National Council, how to improve the management of environmental care, how to eradicate the lingering departmental approaches, and how to establish the optimum state administration structure while respecting the integrated concept and management of all the activities in the environmental sphere.

However, despite all the work that has been carried out, we are far from satisfied with the pace of resolving ecological problems. During the first 3 years of the 5-year plan, we in the Czech Republic have fulfilled 37 percent of the planned volume of work and supplies for ecology. Therefore, we are organizing extraordinary measures so that we succeed in eliminating shortfalls before the end of the 5-year plan. We have included in the plan 141 projects at a cost of Kcs2.2 billion. Besides this, 150 other events are being prepared for which, in the meantime, there has been no success in providing the necessary financial resources. I am not pretending that such steps are on their own a way out of the emergency situation. Apart from the main sources of pollution, we deal ordinarily with less important events. This is also evidence that, to date, we have not established an effective mechanism and the necessary conditions for carrying out the priority ecological constructions, beginning with the investor and design preparations and ending with making provision for construction and engineering capacities. We must draw the necessary conclusions from this for the timely and qualitative preparation of this program for the Ninth 5-Year Plan.

It is necessary to thoroughly respect the principles of the unity of the investment tasks and of their material provision. Even today the program for state ecological investments is being implemented within the framework of the overall investment quotas for specific departments. The main reason for their non-fulfillment is the shortage of technological, in particular, and also construction supplies. Therefore, we must decide in time about the priorities and about their financial and supplier provision. This is a lesson from the course of the implementation of this 5-year plan's ecological program.

Asserting priority ecological points of view within economic policy is not simple or without conflicts of interest. In the Communist Party of Czechoslovakia Central Committee Presidium report on its preliminary considerations about the Ninth 5-Year Plan, as far as ecological construction is concerned, the sum of around Kcs30 billion is mentioned. Allow me to give the following illustration—when we in the Czech Socialist Republic Government discussed preparing ecological investments for the Ninth 5-Year Plan, the need to carry out projects at a cost of Kcs39 billion arose out of the region's requirements. After gradual restrictions on the most important projects, we came to a figure of Kcs31 billion. Of course, I am talking about the Czech Republic. We do not doubt that our comrades in Slovakia face any less serious problems.

It is impossible to create the atmosphere that the ecological 5- year plan is before us, a plan in which we will deal with everything that has been accumulated in the past; although we will give priority to concentrating resources on this to the detriment of other social requirements. Everyone understands that we will not return to the dark ages for the sake of ecology and that we will not give up the opportunities of modern civilization but that we must guarantee harmony between the environment and socioeconomic development. It is possible to maintain the level reached in the consumption of food, to increase the quality of personal transportation and the level of motorism, and, at the same time, to respect ecological points of view only on the assumption that we will implement the structural restructuring of production, substantially increase economy mindedness, accelerate scientific- technical development, and that we will come to terms with and introduce new clean technology. I consider it extremely necessary to include the resolution of ecological issues in the process of the restructuring of the economic mechanism. It is necessary to reckon with the institution of levies for making use of all the elements of the environment as well as with considerable penalties for damaging them.

We all realize how complicated today's situation is, how difficult the tasks are, and what kind of risks confront us. It is all the more necessary to realize what kind of possibilities we have and what are our society's economic, social, spiritual, and cultural resources, the resources on which we must depend. The key to success lies only in the party's unity and in its singular policy of restructuring in order that we fully develop the people's activity and interest as well as their creative potential.

Zavadil on Trade Unions

AU1810160789 Prague RUDE PRAVO in Czech 16 Oct 89 p 3

[Speech delivered by Miroslav Zavadil, member of the CPCZ Central Committee and chairman of the Central Trade Union Council, at the 15th CPCZ Central Committee Session held in Prague on 12 October]

[Text] In each period, individual aspects of the trade unions' activity must have their own place. Therefore, we regard it as logical that at a time of implementing economic reform, we orient ourselves, first and foremost, toward caring for the working people, among other things, because the people's contentment provides a significant motive for their political and working initiative. We do not see our orientation toward the trade unions' protective function as an attempt to assert unrealistic and demagogic demands. We are concerned about defending the rights of the working people in the interest of adhering to the laws and valid regulations so that the workers and other working people are protected from those irresponsible employees who overlook the people's needs and cares. I believe that in this regard trade union organizations will find support and understanding among the Communist Party of Czechoslovakia [CPCZ] primary organizations. We are not opportunists. Our duty to express the workers' and the other working people's opinions and suggestions and to critically stand against the economic management and state organs proceeds from the very substance of the trade union organization and its independence. Whoever does not understand this and whoever suspects us of having other intentions is forgetting that if we were to behave otherwise we could lose our members' trust as a trade union organization.

In relations between the Central Trade Union Council [URO] and the federal governments, we emphasize constructive cooperation and the consolidation of forces and policies. At the nationwide all- union conference, at joint meetings, and afterwards we have expressed a number of critical opinions. At the same time, we are guided by our joint interest in the further development of socialism.

Not only our own experiences but also information from some of our friends in the socialist countries indicate that the trade union organs' passivity or reconcilability in not dealing with problems in the social sphere causes justified dissatisfaction and creates distrust of the party's policy and of the social system.

It is impossible to merely talk about problems, albeit critically, and then resolve them in a situation of social and political tension. What do I have in mind? For example, the very unsatisfactory situation in the Plzen Skoda Works forge. For a number of years, the employees here have been listening to promises and proposals made by central and enterprise officials to resolve the literally unbearable working conditions and equipment. But nothing has changed. Where has the care for the workers, moreover for highly qualified workers, gone to? This is no longer a social issue but a political one.

The demand from the Ninth CPCZ Central Committee Session to prepare a law by which the obligation to reveal the sources of a disproportionate income would be introduced met with support and agreement. We fully supported the promulgation of such a law at the nationwide all-union conference, so that we could finally get rid of the various speculators and thieves growing fat off of what honest people create. What is happening, however? Nothing. Comrade Minister Calfa's reply that the current legal regulations are sufficient is unacceptable. Therefore, we in the URO have decided that we will submit our own proposal to the Federal Government before the end of the year. Perhaps, it will contribute to resolving this problem.

These are only a few observations on the activity of the trade unions after the party's seventh Central Committee session. Specific positive results do not satisfy us and we are realistically evaluating the situation in the trade unions. We are aware that, so far, these results do not correspond to the place of the trade unions in bearing joint responsibility for fulfilling the socioeconomic program and for the further development of socialist society. Joint talks among the URO Presidia, the Czech and Slovak trade union councils, and the nationwide consultative committee of the chairmen of the trade union councils that took place last month, only confirmed the resolve of the majority of Revolutionary Trade Union Movement members to actively participate in the restructuring and democratization of society.

At present we are looking for ways to strengthen and improve the socialist order, to give socialism new stimuli, and to give it a second breath. The party Central Committee has expressed the view many times that it is a matter for each country, for its party, and for its people to determine the type of approaches. However, despite differences in the methods, this should involve one goal—the growth of the prestige and status of socialism in the world. I have in mind the development of socialism on the basis of those values that were created by October, as Comrade Gorbachev recently put it.

Among the public, many questions are being raised concerning development in the Soviet Union. For example, it is impossible to regard some items with a Czechoslovak theme which were published in the Soviet press either as a dialogue or as a polemic. This does not serve Czechoslovak-Soviet cooperation. I will say it bluntly, this damages the joint interests of both countries and is at variance with the principle of comradely relations that prevail between the CPCZ and the CPSU.

It is natural that there are also fears concerning the further fate of socialism in Poland and Hungary. Nor are we indifferent to the statement made recently by U.S. Ambassador Palmer in Budapest. I quote: "Thank God, development in Hungary has already reached such a situation that there is nothing to worry about." Could it be that Mr. Palmer has the interests of socialist development at heart?

With all due respect for the principles of noninterference, however, we cannot now remain silent while some of our "friends" are lecturing us on the course of restructuring in Czechoslovakia. Therefore, I support the view, which is contained in the Presidium report, that our party's Central Committee should actively participate in all the international events leading to the defense and further development of the values of socialism so that the principle of socialist internationalism is asserted in practice by the fraternal communist and workers parties.

The Central Committee Presidium report emphasizes the role of the party as the initiator and guarantor of restructuring. For this reason, I consider it necessary to constantly return to the conclusions of the ninth session, a session which pronounced the fundamental words on the contents, style, and methods of work of the party organs and organizations. The demand made here—that a new and fresh breeze blows everywhere—so far, does not have the expected results. In the party we have many places where, to date, there is no breeze.

The Central Committee has a great responsibility to ensure that, by its proceedings and conclusions, it creates throughout the party certainty about the correctness of our policy and about the validity of our fundamental ideals, with which we joined the Communist Party of Czechoslovakia and which should be contained in the principles of the Communist Party of Czechoslovakia program that are under preparation. In my opinion, in the party we need to arouse a new revolutionary enthusiasm and the firm resolve of every communist to be a fighter for the party's cause. It is necessary to establish in every party organ and organization a comradely communist atmosphere founded upon unified thinking and concrete deeds. We must not tolerate a lack of order and mistakes, we must not put up with shortcomings, but we must resolve the problems. To the detriment of the cause, we are reconcilable, inconsistent, and tolerant where it is necessary to draw the appropriate conclusions. It is necessary, once and for all, to get rid of the consequences of the incapability and irresponsibility of some managerial employees or organs descending upon the workers.

Our cadre policy is connected with this. For various reasons, and many times, we have left in their posts people who do not possess the corresponding political, trade union, or moral prerequisites and often we manifest the unique quality of attempting to justify this behavior to ourselves or to others. At the same time, practice has taught us thousands of times what inconsistency, half-heartedness, and too many compromises mean in cadre policy. In no way is this intended to reveal a lack of respect for people and this is absolutely not a vilification of the cadres. I am concerned about the consistent assertion of the conclusions of the Ninth CPCZ Central Committee Session in this sector.

Our party has proven that it has the moral right to be the leading political force in society. Therefore, opposition forces are uniting themselves against the party. They are conducting an unscrupulous campaign against us. We will not change one thing—this is a class struggle. We must conduct ourselves accordingly. The support of the working class and the majority of the working people is vital for us. We must strive for this support honestly and honorably. It must be seen that the people's interest is primary —the interest of strengthening socialism. We must all subordinate ourselves to this and work together with communist solidarity.

Urbanek on 'Unsatisfactory' Chemical Industry

AU1910142589 Prague RUDE PRAVO in Czech 18 Oct 89 p 2

["es"-signed report: "Restructuring Is the Path to Greater Efficiency"]

[Excerpts] Prague (Our correspondent)—The fulfillment of this year's tasks and the preparations for the new economic conditions in 1990 were on the agenda of an aktiv held on Tuesday [17 October], which was attended by directors of state enterprises, chairmen of party organizations, and representatives of the Ministry of Industry of the Czech Socialist Republic. [passage omitted]

Comrade Karel Urbanek, member of the Presidium of the Czechoslovak Communist Party Central Committee and chairman of the Committee for Party Work in the Czech Socialist Republic, spoke about problems on the domestic market. The deliveries of goods to the domestic market are still unsatisfactory. For example, the chemical industry still owes a considerable amount toward the entire society concerning the deliveries of photographic materials, ecologically acceptable coating compositions or packaging materials, and, in particular, deliveries for the health care sector. Whereas in the FRG the deliveries of the chemical industry to the pharmaceutical sector constitute 10.7 percent of its sales, this figure in our country is only 1.5 percent.

Fojtik on Ideology Role at CPCZ Joint Session

AU1910145089 Prague RUDE PRAVO in Czech 18 Oct 89 p 2

[CTK report: "A Joint Session Of CPCZ Central Committee Commissions"]

[Text] Prague—A joint session of the Communist Party of Czechoslovakia [CPCZ] Central Committee Ideological Commission and the CPCZ Central Committee Commission for Culture and the Arts, chaired by Jan Fojtik and Miroslav Stepan, members of the CPCZ Central Committee Presidium, took place on Tuesday [17 October] in Prague.

J. Fojtik, chairman of the CPCZ Central Committee Ideological Commission, delivered a speech at the session. He concentrated on the current tasks facing our ideological front during the process of restructuring and democratization. He commented on the validity of the conclusions from the 10th CPCZ Central Committee session and the need to actualize them in the preparations for the 18th CPCZ Congress, preparations which we embarked upon at the 15th party session.

Comrade J. Fojtik gave a report on the consultative meeting of the secretaries responsible for ideological issues from the central committees of the fraternal parties of the socialist countries, a meeting which took place on 21 and 22 September in Berlin. He appraised the very frank atmosphere at the talks where there was a comprehensive exchange of experiences and opinions concerning the changes under way in the socialist countries.

The chairman of the CPCZ Central Committee Ideological Commission further dealt with the issues involved in coordinating the ideological struggle and he stressed that such meetings have a great significance in light of the complicated nature of the tasks which the socialist countries are dealing with during the process of restructuring. In this situation the need for an exchange of views is even more pressing. Despite different approaches, it is necessary to coordinate policies, to look for new ways of defending the values of socialism, and to develop them further under the new conditions.

As Comrade J. Fojtik further stressed, the fundamental condition for the success of the process of restructuring and democratization is the leading role of the Communist Party, its offensiveness, decisiveness, and purposefulness. The party is the guarantor of the consolidation of society's creative forces in implementing the program of restructuring and democratization. Without a constructive and working atmosphere in society it is impossible to achieve the required changes. The mass information media, as a democratic platform in the struggle for the further development of socialism, must also assist in its successful course. From this platform, he said, dissonant voices will necessarily be heard, however, these voices must not gain the upper hand, they must always be given an answer. Constructive criticism, a view of matters not weighed down by any prejudices or by any ideological schemes, the true and realistic consideration of our situation and our possibilities, and the precise demarcation of tasks with a clear responsibility are all necessary. Such an active approach by the mass media is the best reply to those who are trying to destabilize the situation in our society.

Libor Batrla and Karel Kvapil, the directors general of Czechoslovak Television and Czechoslovak Radio, acquainted the session's participants with the involvement of Czechoslovak Television and Czechoslovak Radio in the assertion of the tasks of party policy and with the fulfillment of the conclusions of the 10th CPCZ Central committee session in these mass information media.

Krenz CC Speech: Nation at 'Turning Point'

LD1810194589 East Berlin NEUES DEUTSCHLAND in German 19 Oct 89 pp 1-2

[Address by Egon Krenz, general secretary of the SED Central Committee, to the Ninth SED Central Committee session on 18 October, place not specified]

[Text] Dear Comrades,

I thank the Central Committee for its confidence. I am aware of the importance of the responsibility which I have taken on. On your behalf, in the interests of our party and our people, I am willing to assume this duty.

Dear Comrades, dear citizens of the GDR: Today I laid out ideas from the Politburo to the Central Committee of my party on how our party will tackle the tasks before us. I would like to put forward, to a certain extent, these thoughts to all the people of the GDR; I am doing so on behalf of the Central Committee.

If I am asked what concerns me at present, there is only one answer: It is the thought of much joint work. Talking to one another and arguing is important; coming to mutual agreements is necessary; however, working together, planning our future and governing with common sense remains decisive. This is the only way we will meet the high expectations of our party members and all the citizens in our country concerning the 12th party congress and the shaping of our future. Now, I must warmly thank Comrade Erich Honecker for the work he has carried out over the past decades at the head of our party. The thanks of the members of the Politburo, the Central Committee, and our entire party will be the lasting respect for the immovable resistance fighter and upright antifascist, for the internationally respected statesman and promotor of peace, for the politician and companion in struggle and friend. We wish you, dear Comrade Erich, health above all. We are convinced that our party can depend on you in the future too.

Today's Central Committee meeting shows that we are advancing without hesitation on the path which was begun with the Politburo statement of 11 October. This emphasizes that this statement is not a tactical paper. Our party's only interest is the people. When it is a matter of its fortunes, then courage for the truth, persuasiveness and steadfastness count above all. We admit to this again with this Central Committee meeting. Our face is turned toward the people.

Part of the truth which we also stand by is the fact that we are unerringly following the law of history that socialism is the only humanistic alternative to capitalism. Our historical optimism results from the knowledge of the inevitability of the victory of socialism which Marx, Engels, and Lenin have explained. We gain our confidence from the indisputable social progress which our people and the peoples of the fraternal countries have achieved in a historically short period of time—in spite of what remains to be done. This knowledge and what has been achieved give us the unshakable certainty of being able to cope with the challenges of the coming decade as well.

The first prerequisite for this is a realistic assessment of the situation. It is certain we have not assessed the nature of the social development in our country realistically enough over the past few months and have not drawn the correct conclusions. With today's session we have reached a turning point, above all we will regain the political and ideological offensive.

A decisive source of our strength lies in the collective nature of the party leadership at all levels. The next Central Committee meeting will soon be convened after thorough discussion in the Politburo. The invitation which exists at present is thus invalid. The coming meeting will be prepared by Central Committee working groups. Central Committee members and candidate members will be included in the groups. The jointly elaborated documents are the bases for the democratic debate in our next plenary meeting.

Our Marxist-Leninist party is a great and experienced fighting alliance. It has always stood at the head of the socialist revolution in our country and led all radical social changes. This will be the case this time, too. The collective strength of our party is based on the political and life experiences of the more than 2.3 million Communists. With clear leadership from the Central Committee, they stand unshakeably by the achievements, values, and ideals of socialism.

We have endured many trials shoulder to shoulder. Together we have won historic victories and learned from defeats. The most important thing was always our united and cohesive action, the reliance on one another, and the agreement of word and deed. The GDR's history testifies to our party's mobilizing social strength. This strength rested at all times on the work and steadfastness of millions of female and male comrades. This is still the case today. The party—that is all of us—and the Central Committee is the highest organ of the party between the party congresses. And in our complicated times it should have been convened earlier.

There would be no German Democratic Republic without the Socialist Unity Party of Germany. To point to this undeniable fact does not in any way mean a lessening of the contribution of the social forces allied and befriended with us in the development and growth of socialism in the GDR. Our German Democratic Republic was, is, and will in the future be more than ever a democratic communal work of all classes and strata under the leadership of our party. The parties and mass organizations allied with us have done indispensable things for our German Democratic Republic. We are also relying on this to shape our country's future.

In the same way as the GDR is the homeland of all its citizens—irrespective of their social position, their world view, or their religion—so it is the law and should be felt as an obligation by all people to bring their thoughts to the politics of their state, as our republic's constitution forsees it. The alliance of our country's democratic forces, united in the National Front, remains a main pillar of our socialist society.

As the party of the working class we address our country's male and female workers, our society's leading class, to face with us the tasks of further strengthening socialism. Much is dependent on their industry, their will for action, and their awareness of political responsibility for the welfare and woes of our German Democratic Republic.

Our republic has a clever, politically responsible working class, highly qualified in expertise. Recently it has cited many problems by name, not least in talks with members of the Politburo at the VEB [state enterprise] Bergmann Borsig and at the Berlin Television Electronics Works, at the Ernst Thaelmann Heavy Engineering Combine in Magdeburg, and at the Elbe shipyard at Boizenburg. At the same time, the workers have also, as is their way, announced their readiness to take on their responsibility for reliably solving the complicated economic and political situation.

The problems they mentioned—lack of continuity in production, insufficiently putting the principle of performance into effect, unjustified disproportions between production and selection of goods, the sluggish exploitation of scientific and technical knowledge for production, insufficient export efficiency, and other things—are on the agenda of the tasks we must solve. The chairman of the FDGB [Free German Labor Union Federation] laid out in his open letter to all members how the FDGB will utilize, with its over 9 million members, its great opportunities for democratically having a say, including a new quality of plan discussion as the largest representative of the working class, their quality consciousness, their diligence, their political steadfastness, and their will for change, to be insufficiently used.

Let us turn to the men and women cooperative farmers who are firmly rooted in their cooperatives, to the agricultural and forestry workers. They have ensured bread for the people in past years in difficult weather conditions. This year too, and in the future, we count on them using their skills, their farming experience, and their scientific knowledge in the fields and cattlesheds for a further increase in production.

Let us turn to the highly educated and politically dedicated intelligentsia of our country, to the scientists, writers, artists, and all cultural workers, to the engineers, pedagogues, and doctors. The experience and their advice, with which they have unfailingly helped to shape our country's profile, is more than ever called for. We proceed on the basis that the intelligentsia will continue to prove themselves in the future as performance-oriented, creative, and reliable partners of our party and of all of society. When it is a matter of an attractive form of socialism there must be no curbs on the drive for research and creativity.

We address the women of our country who, in family, professional, and social life are indispensible supports for our society. Our society is only worth one-half without them and their achievements. It needs their talents and capabilities, their admirable commitment to the happiness of their families and our people.

We address all craftsmen and traders. They make a great contribution to our society and have a secure future in socialism. Increasing performance growth in their areas makes an essential contribution to a daily life which functions ever better.

We address the youth. Their active co-shaping of society is characteristic of our republic. We want to stand at the side of the young generation so that it may consciously realize the meaning of its life in our society. Youth—and its organization, the FDJ [Free German Youth]—wants and should have a share in all decisions which affect its life. It must be able to realize itself even more strongly. It needs our confidence and the experience of bearing responsibility. It needs greater attention from the whole of society—parents, school, the Free German Youth, and the "Ernst Thaelmann" pioneer organization. Every moral, intellectual, and pedagogic investment in youth is an investment in socialism's future.

Let us turn to the soldiers, to all members of the defense and security organs. Our people know their debt to their commitment to enable everyone to carry out their peaceful work every day. The reliably protected workers' and peasants' state remains the primary precondition for all that our society has resolved to do in joint work for a good common future.

We turn to the combat veterans of the antifascist resistance and activists of the first hour. They laid the foundation for the socialist German state. Their experiences from the class struggle, their steadfastness in the most complex situations in life, their unshakeable conviction in the creative strength of the working class and its allies, their exemplary lives remain indispensible for our further advance. We show them our high regard in including them in our political activity, not least among young people.

We appeal to representatives of the churches, to all citizens of our country with religious affiliations. Socialist society needs and wants their cooperation. More binds us than divides us. We want to express this more clearly, as well as using and expanding it still more in mutual respect, for the good of our state in which we all live.

We appeal to everyone to help to work, help to plan, and help to govern. Let us tackle together what we have to tackle.

The GDR's fifth decade has begun. Everyone who has made his contribution to the consolidation and defense of our workers' and peasants' power can, with good conscience, be proud. Our strategic orientation toward the balanced unity of economic and social policy remains valid. There is no reason to place little value on what has been achieved and to call it into question only because what has not yet been achieved throws up new questions. The knowledge of our successes in large things as in small things—that is an experience over decades in our society—gives people strength and optimism as well as releasing readiness for fresh deeds. And we need fresh deeds in all areas of our life.

Our program is to build up socialist society, and continually renew it. We are not standing still; we cannot. Socialism is not a completed social system, it is a revolutionary one. The contradiction between what has been achieved and what has not yet been achieved, between the ideal and reality, compels constant renewal, which can have only one purpose—the well-being of people in peace.

Everyone has noticed it in the past few months: We are experiencing the intensification of contradictions in the implementation of our party's program and the decisions of our 11th party congress. The problems in the national economy, in domestic trade and in the foreign markets have increased. Unsolved problems in supplies to the population that meet the needs and are of the right quality have accumulated. Inconsistencies in the implementation of the performance principle have increased. Wages policy, subsidies and social benefits are being vigorously discussed. The preservation of the natural environment is causing us concern.

However, initiative will be slowed down where ideals striven for are already seen as achievements and where life's contradictions are lost from sight because of indisputable successes. Whenever our country's citizens act as knowledgeable and open-minded partners of the party and state, then even a bitter truth will provide motivation to act in the joint interest. In any case: modesty suits us far better than exaggerated self portrayal. Comrades from the area and district party organizations, above all from basic party organizations in the enterprises as well, have been emphasising for a long time to keep to our statutes. As you know, the statutes oblige every party member, irrespective of merit and function, "to act against subjectivism, disrespect of the collective, egotism, and painting things in rosy colors and against the inclination to become intoxicated with successes; to fight against every attempt to suppress criticism and to replace it with glossing over and gushing, and to promote criticism and self-criticism from below in every way." Thus our statute; and it has to be fulfilled well every day in every party organization.

We cannot overlook the fact that the traditional strength of our party, its relationship of trust with the people, has been impaired. We draw self-critical conclusions for our work from this. At the same time we do not overlook the fact that socialism's opponents—the external as well as internal ones—are increasingly attempting to take advantage of this for themselves. They sense a dawning and are putting their faith in "reforming" the GDR back to capitalist conditions without the risk of open aggression. However, no one will succeed in doing this.

More than 100,000 people—among them no few young people—have left our country. This is a further symptom of the complicated situation which has arisen. We feel their departure like a great blood letting. Many of us can empathize with the tears of many mothers and fathers. We have suffered many a human loss as well as a political and economic one. This wound will hurt for a long time yet. Indeed, many of the statements by emigrants in front of Western television stations' cameras have also hurt the dignity and pride of their parents, friends, colleagues, and many of us. Nonetheless, that does not release anyone from the duty of thinking why, in this life and his surroundings, so many people have turned their backs on us. Only if we apply ourselves to the causes which have arisen in our society will we be able to persuade those who are still thinking of emigrating to reconsider their decision. We need them. Socialism has room for everyone and prospects for all. At this point, however, a word of thanks must be said above all to those citizens who without hesitation have taken on extra burdens in people's interests which have arisen because of this situation.

With the 11 October Politburo statement the door was opened wide in the spirit of our policy of continuity and renewal to a serious internal political dialogue. As can be seen, the public debate in search of the best solutions to further shape socialism in the GDR is rapidly gaining substance. This will surprise no one who in conversation with the citizens—whether at their workplace, in a circle of friends, on holiday and on many occasions—has time and again been able to note a strongly developed civic awareness, great expertise, political interest, and sound political judgement. This is what we are banking on.

A socialist society needs debate, because it is an enlightened society. It needs a knowledgeable, well-informed citizen, who acts for his community of his own free will. It needs the citizen who wants to be involved in decisions that affect him and his country. It needs the self-confident and critical, the mature citizen. We are guided by the firm conviction that all problems in our society are politically solvable because we are convinced that our country's citizens are capable of dealing with even the most complicated questions.

Our society has sufficient democratic forums in which the most varied interests of the population's many strata may express themselves in support of a socialism which is worth living. However, socialist democracy's broad development in the GDR should not be misunderstood by anyone as a carte blanche for irresponsible action or even be misused for acts of violence and destruction. There can only be one answer to such acts: securing calm and order and the citizens' peaceful work, protecting values which we have all created and for which we all have to pay. Whoever turns against our social order's fundamentals must ask himself whether he wants a social system which is different to what the vast majority of our people want? For us it is clear: Socialism on German soil is not negotiable! It is our life! It is our struggle!

Two preconditions should thus be stressed for the dialogue which we are most adamantly striving for:

First, everything which we agree upon and about which we argue must have as its unequivocal aim: The further expansion of socialism in the GDR, keeping aloft socialist ideals, and not surrendering any of our joint achievements. Whoever casts doubt on this, questions the life's work of generations.

Second, our socialist German republic is and remains a sovereign country. We will solve our problems ourselves. Here I give expression to the demands and protests made by GDR citizens in many talks in the past days and weeks in calling upon Bonn and the Bonn- directed media to stop interfering on a massive scale in the GDR's internal affairs. This applies also to the absurd attempt to dictate to our party how it should conduct the dialogue. What is to be done and what should be left alone in the GDR, and what reforms we carry out will be solely and exclusively decided in the GDR. That was the case, is the case, and will remain the case. We are aware of the fact that opponents will not stop telling us what to do. This does not trouble us. The people with their concerns and willingness to participate, not the opponent, are the yardstick for our work.

What we have achieved in this community since 1945 and in the GDR's four decades is important to German, and European history as well. We have created a tangible countermodel to the rule of German imperialism. Included in this is the obligation that never again will war emanate from German soil. Thus for the first time the trail of tears and suffering has been interrupted which passed over millions and millions of German families and families of other nations for generations. That remains the indisputable achievement of the European postwar development. Our most important political duty is to maintain it in the interest of today's generations and future ones.

If the FRG government could decide on a realistic assessment of the situation it would come to recognize that the campaign against the GDR, which has emanated from FRG soil over the past few months, has put much of that at risk which it has achieved and agreed on in treaties between the two German states for the benefit of European security and people. The presumption of a "duty to care for all Germans," the unrealistic invocation of a pan-German unity within the 1937 borders, the call for a revision of the postwar order in Europe—all that is in no way intended to support relations between the GDR and FRG and European security.

Within the meaning of the Basic Treaty we continue to support prosperous neighborliness and mutually advantageous cooperation. The more than 30 treaties and agreements between both states also remain important for the future. Cooperation includes always starting from the point that it is constantly a matter of the interests of both treaty partners and their citizens with regard to the realization of the Basic Treaty. On this basis we are prepared to consolidate and, as far as possible, expand doings and dealings between both German states—in the full knowledge of what is dependent on stable relations between both German states for European security. As a result of this our Politburo reached an assessment in the form of a statement on 11 October that the aggressive intervention—contrary to international law—by FRG politicians and media in the GDR's internal affairs must be seen as disturbing the peace to the highest degree. A German state which attempts to undermine the state order of the other German state endangers European security and avoids the idea of a common European home.

We acknowledge our duty to peace. Therefore, we continue to pursue the policy of dialogue, so that reason and realism can prevail. We see no sensible alternative to peaceful coexistence, detente and cooperation between East and West. With the goal of deepening the joint responsibility of both German states for a peaceful, well-ordered and equal coexistence of different social systems we are prepared to examine ways and possibilities for the long-term shaping of relations between the GDR and the FRG more closely and contractually and to develop joint and permanent forms of economic, ecological, political, cultural, humanitarian and tourist cooperation.

If the FRG Government wants to make a contribution to this, it should guarantee full respect for the state citizenship of the GDR on the basis of unambiguous regulations and legislation valid under international law, declare its renunciation of any form of state subsumption of the citizens of our state, and also constructively promote the development of contacts between the GDR People's Chamber and the FRG Bundestag, as well as regular consultations between parties and trade unions and between economic management bodies and other state institutions. The GDR continues to hold out the hand of cooperation to the FRG, too, in the interests of people and the European idea.

The leadership of our party, the Central Committee, and the Politburo, will go away strengthened from this meeting. We have thereby created a decisive condition for preparations for the 12th party congress. We also take support and encouragement from the solidarity and links of the international communist and workers movement, which we felt in particular on the GDR's 40th anniversary. Our fraternal bond with the CPSU should be named here in first place. We will not let this be touched or shaken. We are agreed on this with the founding activists and with the young generation which so impressively stated this with its torch procession on the national holiday. The alliance and cooperation with the CPSU and with all socialist fraternal parties are among the fundamentals of our policies. More effective cooperation in CEMA and the constant consolidation of the political alliance of the Warsaw Pact states count for the GDR among the fundamental conditions for its further progress.

A communist party can isolate itself from the processes which concern restructuring in the USSR and other fraternal countries as little as one can insulate oneself from development in the world. We have always professed that we consider perestroyka in the USSR to be an inevitable process which the CPSU, with its general secretary Mikhail Sergeyevich Gorbachev, has boldly set in motion. Of course such a process also brings with it attendent phenomena which fill many with concern. However, even the concerns are an expression of our deep, inner bond with the USSR and of our conviction that the future of socialism depends on the success of restructuring in the USSR.

Increasing variety is without doubt a law of socialism's development. This very variety, the richness of new things, of things being tried out with all the associated risks, requires accommodating one another, the exchange of experiences, opinions and formulations of problems. The atmosphere was never more favorable and encouraging for this than today. We have to recognize the sign of the times and react accordingly otherwise life will punish us. The Soviet Communists' experience, which our comrade-in-arms Mikhail Gorbachev pointed out on the GDR's anniversary, will accompany us in our future work.

The Central Committee assures all fraternal parties, our militant comrades in the International Workers Movement, and all fighters for social progress and peace, that all of them may rely as before on the SED's class solidarity and of the workers' and peasants' power in the GDR. The GDR, which is a child of international solidarity, does not retreat one step from its known internationalist positions. Within the meaning of the policy of peaceful coexistence the GDR is prepared to further develop its cooperation with all countries.

A mountain of work stands before us and all male and female citizens. No one has a magic potion to overcome it immediately. Arriving at joint action after differences of opinion, we intend soon to find tangible solutions to some issues. Other issues will take time, and for some things, which are necessary, it will be difficult to find material and financial means. We cannot live beyond our means.

On the basis of precise analyses by the party leadership and experts, our Central Committeee's next sessions will, in a collective exchange of views, draft basic proposals to be decided at the 12th SED Congress in May 1990. The preparation for the party congress should and will turn into a broad democratic debate within our party and the entire people.

Public debate and conscientious work to fulfill the plan are two sides of the same coin. This was repeatedly underlined in the talks by members of the Politburo and the Central Committee at enterprises, cooperatives, institutions, and by labor collectives themselves. Focal points in the economic sphere are the fulfillment of the concluded treaties, the material-technical safeguarding of production, necessary decisions on outstanding questions concerning the supply industry, the full utilization of all possibilities to improve the supply of the population with goods, services, and spare parts. It is particularly important to guarantee commercial transport. All these are immediate measures. It is up to the Council of Ministers, ministers, director generals, and the managers of enterprises and commercial institutions to solve them. We know how much effort is needed to do this. However, immediate measures on their own are not enough.

It is indisputable that successes in the dynamic development of production, in the mastery of key technologies, in the intensification of the economy, and in the social-political area have been achieved. However, an honest analysis also reveals that the effects of the drop in the accumulation rate, and in particular of the accumulation in production areas, are more serious than admitted to date. The concentration of investments, which were too low in any case in certain selected branches, has caused the supply industry to fall behind. A large amount of equipment in this area has worn out in the meantime. This leads to high expenditures on maintenance and repair and to a great need for spare parts.

In harmony with many discussions among working people, the achievement principle must be consistently pushed through to its full extent. A balanced national economy is indispensible for continuous production. It is not sufficiently guaranteed at the moment. To achieve this we must increase accumulation in the production areas but it is also possible that we may have to do without several.

The balance of our house-building program is impressive, it is a great achievement. Its effect could could be much greater if the housing industry and the distribution of residential space were better organized and led. There is a sense of responsibility and a chance for the communal bodies to work closely with citizens here.

Economic relations with the USSR take first place in our foreign trade obligations. They are the decisive guarantee for the continuous fulfillment of our own national economic tasks. By guaranteeing exports to the USSR to the full extent of the plan, we secure necessary imports, particularly raw materials, important equipment for our industry, and goods for the population. We also approach economic relations with the other fraternal socialist countries in this manner. In developing trade with capitalist countries we shall adhere to the principle of mutual advantage. In everything we do we must be conscious of this: We are not in the business of promises for which there is no security. It is rather a matter of working with the greatest intensity to change the difficult situation together.

We will also have to deal with the further expansion of the socialist state based on the rule of law. In this we start from the assumption that all citizens are equal before the law. The Council of Ministers will prepare a plan of legislation in this spirit and put forward proposals for the public discussion of draft laws. It is of basic importance that the GDR Council of Ministers can and does fully take up its constitutional areas of responsibility as the government of the workers' and peasants' power. We will practice democratic centralism in the Leninist sense both in our party and in the broader public, that means also respecting the formation of opinion from the bottom up, as well as criticism without regard for the person being criticized and not taking decisions until after discussion and an exchange of opinions, and then implementing them in a united and unified way.

The shaping of our state under the rule of law includes the further expansion of constitutional controls through greater powers for the Constitution and Law Committee of the People's Chamber, the unity of public debate and thorough, undoubtedly also controversial discussion of basic laws in the People's Chamber, raising the responsibilities of the towns and communities and other emergent political necessities.

We believe that it is in the interests of all of society to conduct the work of the People's Chamber, as the highest democratic body of our state, until the end of its legislative period in 1991 in such a way that the activity of the deputies and the committees of the People's Chamber becomes even more visible to the public and serves the interests of all citizens even better.

The Politburo has submitted to the GDR Government a proposal to prepare a draft law on travel by GDR citizens abroad. We proceed on the basis that this draft law should be considered and adopted following public debate in the People's Chamber. In this connection the temporary measures introduced on travel to socialist fraternal countries could be lifted or modified.

However the truth compels one to state quite clearly that the FRG's refusal to unconditionally respect the GDR's citizenship remains a very serious obstacle to the implementation of the steps taken into consideration by us for travel to the FRG, Berlin (West), and other capitalist states. Adherence to a "caring duty for all Germans" is—no matter how you look at it—part of the FRG's revanchist basic concept which contravenes international law and the Basic Treaty.

The dialogue to be reflected by the mass media has great importance for the preparation of the 12th party congress. We expect it to result in numerous businesslike proposals to solve our society's development questions, but also—one should state here—greater public tackling of manifestations which contradict the essence of socialism and our policy. We urge the editorial offices in our country to act in this way.

Our republic has talented, capable journalists who enjoy their work and the political struggle, who have ideas and imagination. They are pressing, in an exchange of views with their readers, listeners, and viewers, to advance our society as a creative community of politically enlightened and committed people acting in a politically responsible way.

Naturally, this means that every journalist must also see the perils of this responsibility. Our press cannot be a platform for anarchistic talk lacking direction. It will certainly not be a playground for demagogues, and it must—like the politicians—take care that complicated facts and questions are not diluted by snappy and simple answers. It is good that in recent weeks the press has itself produced yardsticks of how journalists can do justice to their social responsibility, and also effectively do justice to their opportunities. Particular hopes are placed in NEUES DEUTSCHLAND and "Aktuelle Kamera" [main GDR TV news program] We are convinced that you will fulfill your tasks.

The discussions during the exchange of party documents have resulted in a wealth of suggestions and proposals for our party's internal life. If we thoroughly take them into account, the party groups and basic organizations meetings will become forums for a down-to-earth exchange of thoughts and for initiating actions by every comrade. Now more than ever firm political standpoints and the militant attitude of each Communist are called for to take the offensive in putting forward our party's policy at every workplace and residential area. Even if he does not have an answer immediately to every question, he must and can show without wavering what flag he is marching under. Communists have always done things this way and today we will do it more than ever. At the same time it is an important prerequisite that each comrade plays his part in unfolding the dialogue in preparation for the 12th party congress in his field of activity.

However much we are conscious of the seriousness of the situation in this hour which has led to today's decisions, at the same time we feel and recognize the great opportunity we have opened up for ourselves to determine our socialist course's new positions, which will lead us safely to the threshold of the turn of the century, in closest alliance with the people, in dialogue with all our country's citizens, in a social atmosphere of openness and realism, and by tackling things together.

Our power is the power of the working class and the entire people under the party's leadership. We have fought for it not for our own sakes but for the people's welfare. We will hang on to it and will not allow it to be encroached upon by the forces of the past, not for our own sakes, but for the best interests of our people. We will continually apply our power in a better way for a strong socialism, for a stable peace, and for a good and secure present and future for our people.

In our German Democratic Republic there will be no socialism other than the one we are jointly creating and defending. Everything lies in our hands, everything lies in our common partnership, and everything lies in the unity and cohesion of our party. Thank you.

Krenz Meets With Church Leader Leich

LD1910135489 East Berlin ADN International Service in German 1327 GMT 19 Oct 89

[Text] Berlin (ADN)—Egon Krenz general secretary of the Socialist Unity Party of Germany [SED] Central Committee, and Dr Werner Leich, chairman of the Conference of Evangelical Church Leaderships in the GDR, met for a talk this afternoon at the Hubertusstock hunting lodge near Berlin.

The meeting was attended by Werner Jarowinsky, Politburo member and secretary of the SED Central Committee, and State Secretaries Kurt Loeffler and Frank-Joachim Herrmann, and on the side of the Evangelical Churches by Bishop Dr Christoph Demke, Consistorial President Manfred Stolpe, and High Consistory member Martin Ziegler.

Further on Meeting

LD1910180989 East Berlin ADN International Service in German 1554 GMT 19 Oct 89

[Text] Berlin (ADN)—Egon Krenz, general secretary of the SED Central Committee and deputy chairman of the State, and Regional Bishop Dr Werner Leich, chairman of the Conference of Evangelical Church Leaderships in the GDR, met for a talk on questions concerning the current situation at the Hubertusstock hunting lodge today. An open, frank dialogue was conducted in a businesslike atmosphere on mutual responsibility for constructive cooperation between the state and church.

Egon Krenz stated that at its ninth session the Central Committee called for a change marked by joint dialogue on all issues affecting society, and the joint desire for an atmosphere of openness, and a constructive spirit.

Egon Krenz and Werner Leich agreed that it is important to preserve the German Democratic Republic, whose history is also a part of the history of the country's evangelical churches and of the participation by Christian citizens in society. This requires respect for the convictions and tasks of the respective sides.

The two sides underlined their firm desire to create trust and take a chance on trust. Thus, what had been achieved should be examined and an atmosphere should be developed in which answers of use to everyone and each individual can be found for questions that concern and affect all citizens. The conviction was expressed that in the shaping of the present and future more links us than divides us. In this sense efforts were concentrated on achieving a new chapter of constructive cooperation between state and church in a spirit of mutual respect. It was a joint aim to promote changes in society which will shape life in a more attractive and meaningful way.

The two sides declared their firm desire to conduct the dialogue in a sincere and open manner, combine it with efforts to achieve a broad consensus, and not to exclude anyone from it.

It was also noted that there was broad agreement to the effect that in the present situation, which was important for the country's future, everything had to be done to guarantee that the dialogue is not disrupted, endangered, or even rendered impossible by rash actions whose effects can be unpredictable.

In their exchange of views, Egon Krenz and Werner Leich addressed questions such as the further development of socialist democracy. All sections of the population are to be involved in the democratic formation of objectives as mature citizens while maintaining all civic rights and duties so that justice and the law are applied in practice. They discussed a media policy which is marked by openness, a closeness to life and realism, and which helps to develop the confidence of citizens in the policies of the state, and promotes initiatives for their creative implementation.

At the start of the meeting, the chairman of the Evangelical Church Leaderships congratulated Egon Krenz on his election as general secretary of the SED Central Committee.

The meeting was attended by Dr Werner Jarowinskiy, Politburo member and secretary of the SED Central Committee; Frank-Joachim Herrmann, state secretary and chief of the Chancery of the Chairman; Kurt Loeffler, state secretary for church affairs; Bishop Dr Christian Demke and Consistory President Manfred Stolpe, deputy chairmen of the Conference of Evangelical Church Leaderships; and Martin Ziegler, member of the High Consistory and head of the Secretariat of the Federation of Evangelical Churches in the GDR.

News Conference Held

LD1910214889 East Berlin ADN International Service in German 1728 GMT 19 Oct 89

[Text] Berlin (ADN)—Egon Krenz [general secretary of the Socialist Unity Party, SED, Central Committee] and Dr Werner Leich [chairman of the Conference of Evangelical Church Leaders] answered journalists' questions today after their 2 hours of talks. Dr Leich said the fact that he had been invited to talks with the SED Central Committee general secretary within less than 24 hours [of the general secretary's election] was a sign. "I realize from this how seriously the dialogue with the evangelical churches in the GDR is being taken. The talks were very open and without reservation, with the result that we felt that the more openly and clearly we dealt with each other the more we confirm our trust, which we shall need in the future. I hope that the newly elected general secretary will have time to put into practice what he has announced in his program. And in this we want to accompany him as open partners in a dialog."

Egon Krenz expressed his great satisfaction with the talks and stressed: "We spoke about everything which moves us." He characterized the talks with the words "openness, balance, and constructiveness" and emphasized that he completely agrees with Dr Leich's statement. "I think the future will prove that what we have in common is greater than what divides us. As citizens of the GDR we have an interest in moving forward in this country, in everyone being content, and solving those tasks which we determined to do at the beginning of the fifth decade of the GDR."

The church feels obliged "to carry out its mission as a church here in our country, which is a socialist country, and to do it with all honesty and openness," Dr Leich said in answer to a further question.

Egon Krenz replied to a question about the common denominator they had been able to find during the talks that it lay in the fact that "we are holding a broad social dialogue in which we include all citizens of the GDR, for it is a matter of our life together." And if it is a matter of this then it also means that the answers must be sought together. He is quite sure that this will be achieved.

In reply to a question about how the church intends to contribute to calming the situation in view of the demonstrations of the past weeks, Dr Leich replied: "The church has always tried to calm the situation and to call for calm. I think the important thing for future developments will be the experience that there is a genuine dialogue. As soon as this experience prevails it will no longer be necessary to take to the streets in any way. I think we should build on this process of conviction."

Egon Krenz agreed with these words and recalled the statement at the ninth Central Committee session that complicated political problems have arisen in the country which must be solved politically. That is the decisive thing.

Krenz Discusses Concerns With Berlin Workers

LD1910153189 East Berlin ADN International Service in German 1308 GMT 19 Oct 89

[Text] Berlin (ADN)—The Socialist Unity Party of Germany [SED] General Secretary Egon Krenz and Politburo member Guenter Schabowski held a talk lasting several hours with working people in the publicly owned mechanical engineering combine "7 October" in Berlin this morning.

Egon Krenz talked with male and female workers at their workbenches in this enterprise, which is important for the national economy of the Republic. Around 50 workers, designers and engineers, selected members of party and trade union organizations, then took part in a discussion.

In the presence of Director General Heinz Warzecha and other leading employees of the large enterprise, the range of themes expanded at this meeting on the day after the election of Egon Krenz as general secretary—from the readiness of the workforce to cooperate actively in the urgent political and economic problems, through sharp criticism of shortages, through the much discussed performance principle and production of the best quality possible, to numerous personal concerns.

For me, said the general secretary, this was a piece of Party Congress discussion, a piece of discussion with the citizens. It was important that one was agreed that those problems, which have been recognized, should be solved constructively in a level-headed manner. We all need strength now, he added, the party secretary and the state organizer, the trade unionist and the government functionary.

Egon Krenz thanked his interlocutors for the frankness and honesty, for the advice, the heeding of which was amongst the fundamentals of future action for him and the first secretary [Schabowski] of the SED Berlin Area [Bezirk] Organization.

Further on Meeting

LD1910140389 East Berlin Voice of GDR Domestic Service in German 1300 GMT 19 Oct 89

[Text] Workers of the "7 October" Berlin mechanical engineering combine, in a talk with Socialist Unity Party of Germany [SED] General Secretary Egon Krenz, called on the party to set out its ideas on a broader democracy. All working people should be able to hold discussion on this basis and be involved in the making of decisions. The trust between the party and the people is the main question. Among the topics mentioned were supply and the implementation of the principle of performance. In a discussion about travel possibilities, it is not only a matter of trips to the West, but also of lifting restrictions on visits to the CSSR. It was demanded clearly several times that the people want to see themselves and their problems reflected in the mass media.

Egon Krenz described his visit to the enterprise as part of his preparation for the party congress. Being confronted with many problems which had been up for debate at yesterday's ninth Central Committee session had affected. It gave him the certainty of approaching the questions on the agenda with responsibility. The general secretary appealed for all proposals to be checked frankly and thoroughly in order to find the best solutions.

Workers Discuss Visit

LD1910210589 East Berlin Television Service in German 1830 GMT 19 Oct 89

[Excerpts] [Announcer] The People's Chamber meets Tuesday when the deputies will elect the new chairman of the State Council and of the National Defense

Council. A corresponding motion by the SED [Socialist Unity Party of Germany] parliamentary group has been submitted.

Openness, level-headedness, and a constructive spirit characterized a several-hour talk by Egon Krenz with Berlin workers. The general secretary of the Central Committee and the first secretary of the SED Berlin Area (Bezirk) Executive, Guenter Schabowski, were at the "7 October" machine tool combine in Berlin this morning.

There were talks about problems which are troubling the workers—and nothing was taboo:

[Begin recording] [Krenz] Why did some of your colleagues leave?

[unidentified worker] A great many things [word indistinct] came to a head; it was not just to do with being able to travel or because [words indistinct] It is a great many things which build up. I think a real mistake was made in not discussing them over the past years. Up to 3 weeks ago these problems were barely mentioned. And now people have fled. I personally do not necessarily think it is the right way to do things. One has to talk about it and deal with all problems, but it is not just that we want to travel more, but the sum total of everything which has really angered people and meant that people really saw no other way out. That is why they fled. [passage indistinct due to cross-talk by many voices]

[Krenz] But I think that reading our newspapers over the past few days...

[Worker, interrupting] Over the past few days, the past few weeks—certainly!

[Krenz] We all have to think about things.

[Worker] Well, of course, we all have to.

[Krenz] Both here and in the leadership.

[Worker] I believe that much more attention must be paid to the people, their problems and wishes, and so on. If that is done then I think there will be an end to the fleeing. [passage omitted]

[Krenz] I said yesterday on behalf of the Politburo that we will submit to the Council of Ministers a proposal, a law on travel, and many factors are involved here. [words indistinct] For example, economic factors are involved.

[Worker] And the selected few who are allowed to travel—that is not right either.

[Krenz] The selected few are those who have relatives over there...

[Worker, interrupting] And those who don't!

[Krenz] And those who don't. [words indistinct] It all has to be looked into and in the final analysis—after public discussion—result in a proposal which makes it clear that in future people can and will have better travel possibilities. [passage omitted]

Krenz Comments on Talks

LD1910204289 East Berlin ADN International Service in German 1722 GMT 19 Oct 89

[Excerpts] Berlin—Socialist Unity Party of Germany [SED] General Secretary Egon Krenz, together with Politburo member Guenter Schabowski, spoke for several hours with working people in the publicly owned "7 October" machine tool combine in Berlin this morning. [passage omitted]

In the packed conference room Egon Krenz introduced the round of talks with the words: My visit here was short. It would certainly be untrue to say that I now have a good overview of everything that goes on here, but I did get some insight. What particularly pleases me is that this insight squares with important ideas which we discussed yesterday at the ninth meeting of our party's Central Committee. And it is actually that which makes us strong, when the party leaders and all working people reflect together on the same things, even if one arrives at different conclusions about the solutions. But in the final analysis it is a matter of conclusions. And that is why I was very happy to learn at the workplace that you enjoy your work, that you take pleasure in your work.

Egon Krenz praised the readiness to achieve, which he encountered everywhere; the concern for production and its quality; and the expert transmission of specialist knowledge to the rising generation. All this testifies to the workforce's great maturity, he said.

Egon Krenz said that his partners in the shop floor talks, naturally, not only had good things to say. Proposals for change were made, and here relations between suppliers and final production was a common basic theme. This is like a photograph of the situation where it is a matter of developing thoughts that will bring further progress. We must press rapidly forward; we have no time to lose, he said. The decisive thing is that what is required of the working people is that they successfully attain the set targets with good quality.

The general secretary said that there is no point in making promises that are built on sand. The main thing is for the whole party to act, for its leaders to act, for everyone to act together. Egon Krenz said he fully supports the performance principle and is against inconsistencies in the area. Good work must be paid for, and bad performance must not be compensated the same as good work.

He expressed thanks for being told that yesterday he had not addressed many problems very specifically. He will try to do better in future, but there are many things that cannot yet be answered so specifically. "We don't have a magic wand, which can solve everything at once."

The regulation on travel questions that was on the agenda did not just depend on the good or bad will of the party leaders, Krenz said. For example, it is a serious obstacle to travel to foreign Western countries, because GDR citizens are regarded as second-class citizens there and they insist on the so-called caring duty. This is a violation of our quite normal feelings, because we are a sovereign country and will remain a sovereign country. In Bonn, too, they must think about this, he added. It would be a good thing if Bonn were to have some thoughts on how to respect GDR citizenship. Nonetheless, consideration is given to finding solutions. He is firmly convinced that this question will soon be on the Politburo and Government's agenda.

There were discussions about which solutions would be the most effective. It was decided yesterday that the government should prepare a decree, which will be discussed before the People's Chamber passes it as a law.

Egon Krenz also spoke of scars that will not heal quickly, because the many people who departed left serious gaps behind. One must face up to these facts and one must show courage in policy. We profess this courage, he said. One must be meticulous and doubly meticulous; one must work and work again.

The general secretary stressed that good products for export must also be followed by machinery for the equipment necessary in the GDR and the relevant goods for the population. For good work in exports, it is also necessary to achieve good proceeds. The demand for traditionally good German quality work applies also in the GDR and not only in the other German state. It is a matter of workers' honor, of the common honor, that good quality is achieved everywhere.

There was approving applause at the end of the lively discussion for Egon Krenz when he said: For me this was a piece of party congress discussion. It was a piece of citizens' discussion. It is important for us to be united, and that the problems that have been recognized are solved in a level-headed way. There must be an end—because it is in no way good for the history of socialism—to everyone who starts a new function first complaining about what was previously not in order. [sentence as received] It is much more important to think about what was not done correctly in the past and how we are jointly going to solve the problems that have arisen. We now require all our strength, that of the party secretary, the trade union shop steward, the state manager, and the government official.

Politicians Say CC To Take 'Different Role'

LD1910222789 East Berlin ADN International Service in German 2027 GMT 19 Oct 89

[Text] Berlin (ADN)—Well-known personalities in the republic tonight supported and explained necessary changes in the economy, in political and intellectual life, in the judicial and legal sphere, and in other areas of society in the GDR, in response to viewers' questions on a live program on GDR television. They appealed for concrete measures for implementing the principle of work performance, for a differentiated approach to subsidies, for equally accessible opportunities to travel for every citizen, for more democracy, as well as a new way of treating those who think differently.

In the biweekly "Thursday Conversation," which has been recently put into the schedule, the questions were answered this time by social scientist Professor Otto Reinhold, local politician Wolfgang Berghofer, economic Professor Max Schmidt, philosopher Professor Otto Hahn, and journalist Karl-Eduard von Schnitzler.

In light of current events, Central Committee members Hahn and Reinhold described the atmosphere at the latest Socialist Unity Party of Germany [SED] Central Committee meeting as one of deep seriousness and consciousness of their responsibility. The party leadership's state of "long speechlessness" has been ended. It became clear that the Central Committee will in the future play a different role than it has to date. Otto Reinhold said in response to a question on eventual successors for the outgoing Politburo members Hermann and Mittag that this cadre problem will be solved at the next Central Committee session.

All members of the panel, hosted by Dr Lutz Renner, expressed the expectation that the travel regulations discussed today by the Council of Ministers will lead to a passport for every citizen and the unrestrictedly equal opportunity for everyone to apply for a visa.

Dresden Mayor Berghofer, above all, stressed the need for equal treatment, regardless of relations abroad. Otto Reinhold underlined the economic side of the problem: If one considers the 7.2 million visits to the FRG by GDR citizens last year and takes into account that each visitor stays for about a week and needs about 500 marks for this, then that is around 3.5 billion marks in hard currency.

Max Schmidt said that opportunities such as "extending the scope of foreign trade" of the GDR with, for example, the FRG to make the hard currency should be taken. Karl-Eduard von Schnitzler was of the opinion that "so far only Bonn has erected" hinderances to freedom of travel. Thus far, new regulations will be "a concession by the GDR." Otto Reinhold put it more precisely: A concession, however, for GDR citizens in the first instance, not for Bonn. Wolfgang Berghofer said: The FRG should then react at the given time by refraining from such positions as the "duty to care."

Dresden Mayor Wolfgang Berghofer said that the travel problem literally also has an ideological aspect, namely as regards the "European home" "to look at the world." Concerning the economic aspect, he referred to the opportunities still missed hitherto of developing tourism in the GDR as a branch of the economy. "To visit the sistine Madonna" is, for foreign tourists today, "virtually a gift."

Asked when reforms will become noticeable, the round referred to the changed in the media which are already very visible. It is now up to them to raise quality even further. Following the discussion in the Central Committee plenum, the Council of Ministers have now tackled supply and travel issues. Some things such as a higher rate of accumulation in the economy needed time and material preconditions, others can be changed more quickly. As regards a crucially better effect of the performance principle, this needs upgrading of the social status of the scientific-technological intelligentsia.

Asked about the economic loss as a result of people leaving the GDR, Otto Reinhold said that this was a great loss. The republic lost the enormous training expenditure and the lack of qualified experts is becoming painfully clear. Also, the decline in labor force, noted demographically in any case, was getting worse.

Other questions referred to the "legalization of opposition" in the political life of the GDR. Erich Hahn: The term must be used precisely, differentiated from all those forces, who, with questions and proposals, sought to help ensure that socialism would improve in the GDR. This was welcome. On the other hand, however, there was no reason to diverge from the historical decision to develop socialism in this country. Action against this option, against this, our choice, Erich Hahn said, would have to be stopped.

BERLINER ZEITUNG Cited on Election

LD2010100489 East Berlin ADN International Service in German 0409 GMT 20 Oct 89

[Text] Berlin, ADN—"Now a new path is being embarked upon, a turning point has been started in many things to advance socialism in the GDR and to restore credibility to the Socialist Unity Party of Germany [SED], whose members continue to have the duty to serve the people by giving examples of good and excellent work." The BERLINER ZEITUNG states this today in a commentary on Egon Krenz's election as general secretary of the SED Central Committee.

Under the headline "The Clarifying Word and Indispensable Deeds" the paper writes: "The ninth session of the Central Committee has adopted necessary resolutions and the newly elected general secretary has given a long-awaited assessment of the state of affairs in the GDR. In many points it is not good, as was stressed realistically and self-critically. However, in many points we have acheived good and lasting things, and Egon Krenz also stressed that: We will not abandon any of these achievements of socialism, we will not call the life work of previous generations into question," the BERLINER ZEITUNG stresses.

"Now the main thing is to continue the internal political dialogue which has been started and at the same time to devote ourselves with all our strength to deeds for solving problems. If we want to remain realistic not everything can be cleared up or even improved immediately. Egon Krenz said that we intend to find tangible solutions soon for many things after coming to joint actions after a debate (improving commercial transportaion, for example, will be one of the immediate measures), other things will take time, and for many things we will not or not yet have the money requiured. In any case, the GDR must not get into debt up to its neck; there are enough cautionary examples."

Party Organ Comments on SED CC Session

LD2010104489 East Berlin ADN International Service in German 0821 GMT 20 Oct 89

[Text] Berlin (ADN)—NEUES DEUTSCHLAND today publishes a summary of the discussion at the ninth session of the SED [Socialist Unity Party of Germany] Central Committee, which preceded the confirmation of the speech by the new general secretary of the Central Committee. Eight Central Committee members expressed their thoughts on Egon Krenz's speech dealing with the current political situation and the SED's tasks at the present time. They supported his statements on a first analysis of the problems confronting the party and the next tasks, put forward proposals, and backed up the call for a timely dialogue.

Moritz Mebel asked "whether all of us together thought in time whether our steps were always the right ones," it emerges from the newspaper report. Manfred Ewald stated, among other things, said that the Party could no longer allow other parties to take the lead in their statements, as many had felt recently. It is time to make good the loss of confidence. Hans Modrow said of Krenz's speech: "We will be able to go on the political offensive with it." He put forward a supplement to the speech concerning the issue of criticism and self-criticism.

Hans-Joachim Hoffmann said there is now no time to become exhausted in discussion of details. According to Manfred Banaschak it is now a matter of giving the necessary changes clearer contours above and beyond the 11 October Politburo statement. Guenter Schabowski stressed that we need to advance quickly toward greater responsibility for each Central Committee member.

Heinz Kessler touched on current issues of military policy, and stressed the relationship between the SED and the CPSU, which is determined by deep solidarity. Kurt Hager stressed that the problems cited in Krenz's speech would be dealt with further in the course of the next days and weeks, as well as at the next plenary session.

Winding up, Egon Krenz said that there should be another Central Committee session at the earliest possible date. It is very important to act quickly in politics. However, it is also important to act in a considered manner. "The comrades said plenary sessions should be called more often, and there should be a better debate. We are agreed on this."

The speech, with the inclusion of the proposal on formulation put forward by Modrow, was approved unanimously.

Opposition Calls Krenz 'East Berlin's Andropov'

AU1910131589 Vienna NEUE AZ in German 19 Oct 89 p 3

[Unattributed "exclusive" interview with Herbert Misslitz, spokesman of the "United Left Initiative," also known as "Boehlen Platform": "Krenz Will Be East Berlin's Andropov"; place and date not given]

[Text] NEUE AZ: Well-informed circles among the lower ranks of the Socialist Unity Party of Germany [SED] allegedly knew the outcome of the Central Committee session as early as the night of 17 October—that the emperor would resign and the Honecker era would come to an end, and that Erich Honecker would be succeeded by Egon Krenz. What does this mean for you?

Misslitz: Let me first say the following: The "emperor's" resignation and the publication of a resolution from the opposition in the paper of the Free German Youth [FDJ], JUNGE WELT, which was still being rejected by FDJ leader Aurich the day before yesterday [17 October], show that the leadership had not succeeded at all in getting the situation under control through its 11 October statement. Things have really started moving. On the other hand, a large number of hard-liners remain in the Politburo, which has been demonstrated by the nomination of Krenz and other information that is leaking to the outside now. Thus, the current reshuffle is not sufficient.

NEUE AZ: What can be expected from Krenz in the present situation?

Misslitz: This is a first step in the right direction. When we learned about the decision last night, we first drank to the change. Some believe—and I think they are right—that Krenz is the Andropov of the GDR. Krenz will promote people like Modrow (the reform-minded Dresden SED leader—the editors). However, he is certainly not a leader who will grant society far-reaching participation.

I believe that protests and demonstrations will continue. The fact that we will be allowed to say everything to the Politburo represents considerable progress, but this will not change anything as long as the Politburo makes all the decisions.

NEUE AZ: Last week, you called for the resignation of the Politburo as a precondition for dialogue between society and the leadership. Now the leader has resigned and has been succeeded by another Politburo member. What does this mean for you and the line you are pursuing?

Misslitz: This does not affect us or our line. To bring about changes in this country, the whole leadership and the present government would have to resign. Only then can a joint discussion of programmatic changes begin.

NEUE AZ: How do you assess the dynamics of the current awakening of society?

Misslitz: It is important now to get a broad movement under way which must, of course, be based on compromises. There is an acute need for action in this country and an urgent need for the creation of discussion platforms that are officially recognized. Every right to personal expression and co-determination has been suppressed in this country during the past 40 years. This was ensured by the educational system, mechanisms of repression, and the "power monopoly of the state." All this cannot be changed overnight. There is no point in calling for radical reforms and a revolution at the moment.

NEUE AZ: As I have learned, what you want is a "coalition of reason...."

Misslitz: Yes, a coalition of reason. I believe that there is no other way at the moment. Even if there were another way, it need not be discussed as long as the way of dialogue is guaranteed.

Paper Says 'Lost Trust Must Be Gained Anew'

LD2010091989 East Berlin ADN International Service in German 0403 GMT 20 Oct 89

[Text] Berlin (ADN)—Following is the text of the NEUES DEUTSCHLAND commentary published on Friday under the title "Popular Discussion and Conscientious Work":

The tasks facing us following the ninth Central Committee session are being discussed and tackled. It is characteristic of the content and style of party work that the newly elected general secretary went to visit Berlin workers the morning after the plenum, that Egon Krenz listened to their opinion, discussed the real situation in their enterprises and in our country and how we may now use the power of the workers and peasants better, in the interests of the whole people, for a strong socialism and a secure peace. It is characteristic that Egon Krenz came together with the chairmen of the other parties and the mass organizations and informed the central Democratic Block immediately about the meeting of the Central Committee, and that he met with Regional Bishop Dr Werner Leich as the representative of the Evangelical Church. Other comrades of the collective of the party leadership also spoke with working people.

Our spirit is turned toward the people. The party, which has in actual fact no other interests than those of the people, is introducing a change [eine Wende]. It has begun to assess realistically social developments and to draw conclusions. This is very important so that problems will be recognized in the future in time and errors avoided.

Our party is proving its courage in seeing the truth. It is putting an end to painting things in rosy colors and presumption. Criticism and self-criticism are again at the center of work, and democratic centralism is being practiced in both directions, as is only right for a communist party. Lost trust must be gained anew. The expression of bitter truths also provides motivation for joint action.

Essentials of the concept for the new approach to social development and the solution to the problems are on the table. This formulation considerably supersedes what was said in the Politburo statement last week. All important questions are mentioned, which were and are being discussed frankly and publicly in our country.

It is not by chance that economic problems are at the head. Our strategic orientation is the balanced unity of economic and social policy. It will remain the case that we will live in the way in which we work. For this reason, eliminating discontinuity in production, pushing through the performance principle, dismantling unjustified imbalances between production and the supply of goods, rapid processing of scientific-technical knowledge for production, and greater export effectivity are particularly important. Contradictions on our path must be recognizd, analyzed, and frankly discussed so that they may be jointly solved. This also applies to the causes which have arisen in our society for the painful departure of so many predominantly young people.

We need dialogue on all the questions raised and serious public debate on the search for the best solutions to further shape our socialist country—not least of all this paper as well as in other media. Consciousness of one's responsibility as a citizen, expert knowledge, and political discernment from self-confident, critical, and mature citizens are now called for. Democratic forums are available here. All the problems can be solved within our society. Popular discussion and conscientious work are therefore in first place at the moment.

Everyone is called upon to name the problems and to work at their solution. All citizens are equal before the law in our socialist state based on the rule of law. Within the framework of the exercise of its constitutional competence, the government will also make proposals for public discussion of draft laws, including one on GDR citizens' travel abroad.

Many problems can be solved soon after thorough discussion. Others will need time until preconditions and the means for their solution are available.

The Central Committee meeting is finding an animated echo not only in the GDR, but also abroad. The statements of links and solidarity from our friends and comrades are encouraging. This is true especially for what Mikhail Gorbachev said in his congratulations to Egon Krenz. We view the fraternal relationship to Soviet Communists, and the close cooperation with the Soviet Union as decisive for the future of socialism. Rejections and hostile reactions from others cannot be overlooked. We can also not expect advocates of pan-German unity, of the borders of 1937, and the presumption of a "caring duty for all Germans" to receive the results of the Socialist Unity Party of Germany Central Committee meeting which serve to strengthen socialism on German soil, with pleasure and agreement.

Despite this, securing peace remains the most important political obligation for both German states. We oppose—as in the campaign of the last few months emanating from the FRG—what has been achieved between both states to the advantage of European security and it has put the people in jeopardy. We support prosperous neighborliness and mutually advantageous cooperation within the meaning of the Basic Treaty and see possibilities for relations and cooperation between both states to be controlled and shaped more closely by the treaty in many areas in the long term. The FRG could make a contribution to this by fully respecting the state citizenship of the GDR.

The ninth Central Committee session is like a thunderstorm clearing the air. As the aktiv meeting of the Berlin party organization and many other meetings of comrades immediately after the plenum showed, our party is getting down to work. The direction is clear. The next Central Committee meeting will thoroughly debate prepared documents and thereby mark the path to the 12th party congress even more clearly.

Collective, united, and determined action, reliance on each other, and concurrence of word and deed are now the most important things for pushing through the change. In our republic there will be no other socialism than that which we create and defend jointly with all citizens. The persuasiveness and steadfastness of the entire party and of each individual comrade must now be proved in the dialogue with the whole people and in the joint solution of the problems on the agenda.

Sindermann Details People's Chamber Session

LD1910140289 East Berlin Voice of GDR Domestic Service in German 1300 GMT 19 Oct 89

[Text] The People's Chamber of the GDR will decide at its meeting called for 24 October, in accordance with the Constitution, on the proposals set out yesterday by the Socialist Unity Party of Germany Central Committee. This involves the release of Erich Honecker from the chairmanship of the State Council and the National Defense Council and the candidature of Egon Krenz for these offices, People's Chamber President Horst Sindermann told GDR Radio today.

The Parliament Presidium also concerned itself today with further-reaching questions of the modus operandi of the People's Chamber, its committees, and the individual deputies. Sindermann stressed that any formalism must be thereby discarded. All questions limiting the development in the country should be discussed. Sindermann named the main topic as the overcoming of disproportions in the national economy against the background of the upcoming plan decisions. Those investments which help to solve supply problems and enable profitable exports should be promoted. In view of their complexity, these matters would however not be discussed until the upcoming People's Chamber sessions.

Stoph Asks To Resign, Council Denies Request

AU2010091889 Hamburg BILD in German 20 Oct 89 p 4

[Text] Hamburg—On the day GDR State Council Chairman Erich Honecker resigned, Willi Stoph, chairman of the GDR Council of Ministers, also asked to resign. BILD has learned this from diplomatic circles. However, Stoph's request was refused.

Interior Ministry To Prepare Travel Law

LD1910174789 East Berlin ADN International Service in German 1643 GMT 19 Oct 89

[Text] Berlin (ADN)—The GDR Interior Ministry has been given the task of immediately preparing a draft law on travel by GDR citizens abroad and submitting it to the Council of Ministers. This emerges from an announcement on a Council of Ministers session in Berlin today which, headed by its Chairman Willi Stoph, was devoted to an assessment of yesterday's ninth Socialist Unity Party of Germany [SED] Central Committee session.

The justice minister has been given the task of undertaking steps to enable the Council of Ministers to discuss in the near future the draft legislative plan for the coming years.

Of fundamental importance is that the Council of Ministers fully meet, and can meet, its constitutional competences as a government of the workers and peasants' state. It should also be ensured that the economic plan is fulfilled in the fourth quarter of 1989 and that, at the same time, the transition to the 1990 plan year is well prepared. Proceeding from the specific stipulations of the ninth SED Central Committee, the Council of Ministers regarded it as an important task to alter its working methods in such a way that a style of work which is close to life is implemented throughout the state apparatus.

In the further course of the session, the announcement stated, the Council of Ministers took immediate measures, particularly to secure production and supplies to the population in the fourth quarter of 1989 and the run-up to the 1990 plan. During the discussion, the ministers expressed their desire to do everything in line with their responsibility so that changes in production and the supply sector are effected. The chairman of the State Planning Commission was given the task of completing the draft 1990 economic plan and submitting it to the Council of Ministers.

SED Official Says 'Deep Change' Required

LD1910183189 East Berlin ADN International Service in German 1631 GMT 19 Oct 89

[Text] Dresden (ADN)—According to Hans Modrow, first secretary of the Dresden Bezirk [area] SED Executive, in all SED basic organizations each member must be put in a position to take the offensive against current problems. He told 2,260 participants in a meeting of the Dresden party organization today that no time should be wasted so that many constructive ideas and experiences of the working people can be included in the preparation of the decisions of the 10th SED Central Committee meeting.

The political situation in the GDR, Hans Modrow said, unquestionably calls for deep change, in which all classes and strata, men and women, especially the youth, and Christians, must be involved. The SED must mobilize the creative strength of broad masses for renewal and reform in production and science, art and culture. Experiences gained in the Soviet Union should also be used in this comprehensive renewal.

The dialogue that was set in motion must not stop at differences of opinion, but must contribute to the decision-making process and contribute decisions of its own, Hans Modrow said. He urged that the dialogue for the cause of socialism be conducted with all those who wanted socialism and who wanted to improve it and shape it more effectively. It is necessary to reach and include everyone, friendly parties as much as trade unions and youth organizations, by means of the political activity of the bezirk party organization.

Deputy Minister Urges Socialist 'Boldness'

LD2010091289 East Berlin ADN International Service in German 0412 GMT 20 Oct 89

[Text] Berlin (ADN)—In the opinion of GDR Deputy Culture Minister Klaus Hoepcke, socialism must become tangible for still more people as a society which opens up a field of activity for them, in which their capabilities are developed, their talents can become manifest, and a better achievement by one person can be worthwhile for him without being at the expense of another person. Socialism is the condition for such humane competition.

Hoepcke wrote today in an extensive article in the youth paper JUNGE WELT on his ideas for achieving human individuality being extended tangibly, more deeply developed, and enjoying more respect. "Recently we have made insufficient progress, or have even fallen back, in this respect," the minister writes in the article entitled "Type of Courage."

"Routine, and the plan from above hinder initiative. This is a matter of evidence of a centralism which is bureaucratic instead of democratic. On the other hand, the more varied the ideas, achievements, forms of work, the better, the richer the results and the general experiences will become," Hoepcke states.

The broadening and deepening of socialist democracy has to be mastered in order to successfully fashion the new stage of development of socialism in the GDR. Fulfilled socialist democracy has to be indissolubly bound up with other basic elements of internal policy.

"We need boldness, boldness, again and again boldness, both to fight off our enemies and to make progress again in fashioning our socialist society," Hoepcke demands. The utmost courage to think correctly is particularly called for in this.

"The position we take on the challenges of our times must not be weak. Boldly tackling the new requirements, boldly fighting means to clearly answer all those for whom the current difficulties in socialist countries lead to the general question: Is socialism at an end? It is at the end of a stage of its development. Communists and many other progressive people see their task in leading a in a new stage."

SED Politburo Member Urges Criticism

LD1910224489 East Berlin ADN International Service in German 1801 GMT 19 Oct 89

[Text] Magdeburg (ADN)—Socialist Unity Party of Germany [SED] Politburo member Wener Eberlein today encouraged Magdeburg construction workers in their attitude to, also in the future, speak out openly and criticize openly and factually. "We must abandon everything which holds us back," the first secretary of the SED bezirk area executive said during a visit to the bezirk city housing construction combine. This requires assertion and demands sometimes, not least of all, courage. Eberlein underlined that such questions can not be solved in the street, but only where they exist. Thus the national economic plan for next year will be based right from the start on a realistic assessment.

CDU Chairman Wants Better Relations With State

LD1910230489 East Berlin ADN International Service in German 1913 GMT 19 Oct 89

[Text] Berlin (ADN)—In the words of Christian Democratic Union [CDU] Chairman Gerald Goetting, the GDR's CDU is in favor of the development of the human dimension of all the changes to be carried out in the GDR.

The attitude and motivation of Christians should enrich this process, Goetting underlined tonight on GDR television. Goetting said that "service to one's neighbor, not only includes rights and duties, trust and tolerance, honesty and a sense of realism, but also a willingness for action and helping to bear other people's burden". Thousands of questions must be answered, "but in striving to answer them, rash decisions are not suited to solving deep-rooted problems."

Goetting said that he and the CDU are particularly concerned that the relationship between the state and Evangelical church improves. "I have seen with concern the growing dissent and misunderstandings between the two sides. Here too, the important thing is dialogue and joint efforts which serve people and help to allow the socialist GDR regain stability. The members of the CDU, who are also members of their church or a religious community, will also carry out their own contribution to this."

Building on the valuable ideas conveyed in numerous letters from members and party executives, the presidium of the CDU main executive is drafting a position paper, Gerald Goetting announced. "It will summarize and put forward for discussion the CDU's expectations and proposals, as well as its contribution to joint work. I invite all CDU members, but also unaffiliated Christian citizens, to help shape this paper with their experiences and opinions and put forward their suggestions to us. All ideas are valuable." The paper will be debated at the next CDU main executive session.

Artists Union Calls for 'Controversial Dialogue'

LD1910225889 East Berlin ADN International Service in German 1822 GMT 19 Oct 89

[Excerpts] Berlin (ADN)—The Presidium of the Union of Graphic Artists of the GDR today conveyed to ADN a statement which was adopted with 23 votes in favor and 1 abstention. [passage omitted]

The statement says:

In the past few months the area (bezirk) executives, department heads, artists' groups, and artistic personalities addressed resolutions and letters to the party and state leadership and to the public. The Presidium of the Artists' Union shares:

—The concern about the worsening of the economic, political, ecological, and cultural contradictions in our country,

—The incomprehension about the fact that the party and state leadership refused to accept these problems over the past years and did not react to them publicly,

—The condemnation of the misuse of force of every type and from every quarter, supporting those affected with the backing of the union in the implementation of their legal rights right up to full public clarification,

—Indignation about the policy of the mass media and its reporting, which is silent on contradictions and which glosses over matters.

In the Presidium's view all of this has harmed the credibility of socialism and its capacity for far-reaching renewal. We believe that fundamental and controversial dialogue by all social forces in our country is the only possibility for gaining awareness of the situation through ruthless analysis and for seeking steps to change it. This dialogue must be legally guaranteed and must not exclude any political force. We hope that the measures taken by the Socialist Unity Party of Germany Central Committee at its 18 October meeting were a first step toward this. This path must be continued in a concrete and steadfast manner right down to such structures of our society which guarantee development and corrective measures.

As far as we are concerned: A constructive spirit marked our 10th congress, which discussed in a pugnacious, critical, and controverial manner major questions which have now become a focal point of discussion throughout our country. A comprehensive package of constructive proposals has been on the table since then. All of this has so far had no result. We therefore share the impatience of our colleagues.

In order to meet the dynamism of the present processes we will propose to the next central executive meeting that an extraordinary delegates' conference of the union should be convened in the spring of 1990. The Presidium agrees with the proposal by the Presidium of the Theater Workers' Union to establish a joint working group of all artists' associations to draft a proposal to the 12th SED congress.

The more than 6,000 members of the Union of Graphic Artists of the GDR are capable of contributing much through their work to the spiritual climate of our country and to the graphic-aesthetic shaping of a dignified environment. If their proposals are taken seriously and realized then they can help to change decisive matters.

Journalists Union Asks for 'Frank' Reporting

LD2010021789 East Berlin ADN International Service in German 1815 GMT 19 Oct 89

[Text] Berlin (ADN)—The presidium of the GDR Union of Journalists (VDJ) discussed the responsibility of journalists in newspapers, radio, television and news agencies for a change in media policy in Berlin today.

The chairman of the central executive, Eberhard Heinrich, said that the journalists are concerned with swiftly turning the critical opinions addressed to the media from many quarters to good use for frank journalistic work which expresses the whole wealth of ideas in and for our socialist society.

The Union of Journalists supports a diverse shaping of the media and competition between them for the reader's patronage. It should be real competition with a high information value, the free dissemination of truthful information, interesting and varied content, comprehensibility and proven truthfulness, linguistic skill, and stylistic variety. The work of the media and expert reporting would convey both the results of the working people's efforts and the discussions about concerns and needs in society.

The presidium of the Journalists' Union addressed all members with the demand that they should now quickly overcome outdated ways of thinking and working. The presidium also instructed members to demonstrate their abilities and utilize all their talents, knowledge, abilities, all styles and genres in an optimistic, pugnacious, open and constructive manner for the work of socialist renewal and common efforts for the building and defense of the common home, the GDR.

The presidium spoke in favor of convening an extended session of the central executive to discuss new experiences in journalistic work and the demands made on public relations work of the state organs and social institutions. The presidium decided to urge in a letter to the press office the appointment of a government spokesman who will regularly inform the press about the sessions of the Council of Ministers and the work of the government.

The presidium agreed with the view that the bodies of the VDJ are willing to hold discussions with all those who submit proposals for media reporting of a socialist society that is close to real life.

Rostock Council Initiates Dialogue With People

LD2010004589 East Berlin ADN International Service in German 2226 GMT 19 Oct 89

[Text] Rostock (ADN)—At prayer meetings 18 October in the Rostock Marien Church and Petri Church an open letter from the city council was read out. The deputations express in it their willingness to discuss constructively with the city's population all questions affecting the people. No problem is to be excluded.

The offer by the city deputies is a challenge to all those Rostock citizens who want to submit ideas, views, proposals, and deeds for a serious dialogue on domestic issues.

Eleven areas are mentioned as first concrete topics for discussion. They range from the city development and environmental protection via media and information policy, goods availability, trade and industry policy to party pluralism and civic codetermination.

The first of these discussions, for which the time and place have already been announced, can, according to the ideas of the council members, take place next week.

'New Forum' Stages Zittau Church Meetings

LD2010105889 Hamburg DPA in German 0958 GMT 20 Oct 89

[Text] East Berlin (DPA)—On Thursday, in the town of Zittau, about 10,000 people took part in events staged by the citizens' initiative "New Forum." Some churches, one of which was Catholic, were filled to overflowing. A pastor reported today that the district council, at short notice, gave permission for loudspeaker coverage from inside St. John's Church, in front of which several thousand people were assembled.

Everything passed peacefully, it is reported from Zittau, which is located in the southeastern corner of the GDR on the border with the CSSR. The topic dealt with by the congregations that evening was: "What has 'New Forum' got to do with Christians." There was discussion between Marxists and Christians.

Writers Association Seeks 'Revolutionary Reform'

AU1910075289 East Berlin DER MORGEN in German 16 Oct 89 p 4

["Statement by the Presidium of the Writers Association"]

[Text] The Presidium of the GDR Writers Association has sent us a statement, which was unanimously approved. Participants in the Presidium session were: Hermann Kant, Jurij Brezan, Rainer Kerndl, Joachim Nowotny, Gerhard Henniger, Horst Beseler, Voker Braun, John Erpenbeck, Walter Flegel, Guenter Goerlich, Waldtraut Lewin, Herbert Otto, Maria Seidemann, Rosemarie Schuder, and Rudi Strahl.

The statement reads as follows:

We, the members of the Presidium of the GDR Writers Association, held a session on 11 October 1989. In resolutions many bezirk committees have expressed their deep concern about our country. Ideological, economic, and social stagnation increasingly endanger our achievements. The ignorance of the media is unbearable. The public democratic dialogue at all social levels about indifference, irresponsibility, mismanagement, and patronizing must start immediately. Concerned attitudes and statements must not be suppressed and criminalized.

We are certainly aware of the achievements of the GDR, such as its consistently antifascist attitude, its well-founded contribution to disarmament, and its social successes. Dealing with Western proposals, which call into question these achievements, is a matter of course for us. However, what is necessary now is revolutionary reform; it is not reform that is to be feared but the fear of it. The transition to the "association, in which the free development of every individual is the precondition for the free development of all" (Communist Manifesto) is necessary.

We call for the publication of the resolutions of the bezirk associations. The members of the Presidium express their solidarity with the open letter written by the Association's President Hermann Kant.

On 12 October we add: We consider as a starting point for necessary renewal the statement that was published meanwhile by the Politburo of the Central Committee of the Socialist Unity Party of Germany, and we will do everything we can to help implement it consistently.

USSR's Gerasimov Wishes Krenz Success

LD1910195189 East Berlin Voice of GDR Domestic Service in German 1705 GMT 19 Oct 89

[Text] [Announcer] The Soviet Union today reacted to the results of the ninth session of the SED [Socialist Unity Party of Germany] Central Committee. In an interview with GDR Radio, USSR Foreign Ministry spokesman Gennadiy Gerasimov expressed hope that relations between the two countries will continue to expand successfully. Our correspondent, Christian Neef, spoke with Gerasimov:

[Begin recording] [Gerasimov, in Russian with superimposed German translation] I can say that we have followed very attentively what has been going on in the GDR. I mean above all yesterday's SED Central Committee plenary session and the resolutions passed there. From our point of view, relations between the GDR and the USSR developed well during the time Erich Honecker was leader. We hope that this development will not just simply be continued but that cooperation will achieve a still better quality. For this reason we wish Comrade Egon Krenz success in his new function in solving the problems which have accumulated in the country. We know and trust him.

[Neef] You yourself were a member of the delegation which accompanied Mikhail Gorbachev on his visit to Berlin just under two weeks ago. What role did the problems of the GDR's internal development play in the talks there?

[Gerasimov] We held an extensive exchange of opinions there. I refer above all to the talks between Mikhail Gorbachev and the extended circle of the party leadership. At this event Gorbachev stressed how important it was to go with the times and not to lag behind realities. In this context he described experiences in our country and gave specific examples. Thus, in the seventies in the Soviet Union we underestimated the significance of the scientific and technical revolution. A CPSU Central Committee plenary session on this subject was planned, but was not held. That was one of the reasons why our country lagged dangerously behind. Mikhail Gorbachev cited more examples of this kind during his Berlin talks. The problems lay in the party having to have its hand constantly on the pulse of events in society, a feeling of the atmosphere in the country and relevant feedback, Gorbachev said in Berlin.

[Neef] Do you believe that people in the GDR can learn something from the Soviet Union in spite of all their national differences?

[Gerasimov] You know, today we treat the slogan that one can learn from the Soviet Union very carefully because now we ourselves are relearning. Such a paradoxical situation arose because our students were more Catholic than the pope, while he had already changed his position. Of course, that had to cause difficulties. We ourselves see that we too made mistakes. And now we say that we do not have a monopoly on the truth. We have become good listeners and we are following the experiences being gained in other countries.

[Neef] What influence might yesterday's changes in Berlin have on the development of relations between the GDR and the USSR?

[Gerasimov] We have expressed our hope that these relations will continue to develop further successfully. Gorbachev pointed out in Berlin that the GDR is our strategic ally. Thus we hope that relations will become better and more intensive still. Mikhail Gorbachev expressly stressed in Berlin that the GDR's problems will not be solved in Moscow but in Berlin itself. That now seems quite natural to me, for each party has its independence. That was reasserted at the Bucharest meeting of the Warsaw Pact. Thus, Moscow's hand is not at work here. Another thing is that we are very interested in your country developing normally and dealing with the problems which have accumulated.

Obviously, the exodus from the GDR unsettled us. We hope that the GDR will solve these problems too with its new leadership. [end recording]

Daily Criticizes FRG Media on Krenz Election

LD2010092189 East Berlin ADN International Service in German 0407 GMT 20 Oct 89

[Text] Berlin (ADN) NEUES DEUTSCHLAND today comments on the reaction of the FRG media to the election of Egon Krenz as the new general secretary of the Central Committee of the Socialist Unity Party of Germany under the headline "How They Like Us..."

"In the first instance it means they do not like us," the commentator writes. "The news of the plenary session had just come out, the speech by the general secretary was just broadcast, and then it all started over there. They set to work on running him down in the editorial offices. Serious attention, at least a bit of analysis, a few drops of much-cited objectivity—all this was not required. A feeling for what is new was thrown out." The so-called serious newspapers were in the cosy company of the garish tabloids—they too avoided even a halfway exact repetition of what was really said, NEUES DEUTSCHLAND notes.

They only performed great deeds as biographers. Nonetheless, it came out why the entire Western media reaction is such a set meal of watery soup and bones. They do not like this Krenz or what he said. That, for example, socialism on German soil is not negotiable. And so they lament: nothing new, no will to reform, no turning point, etc. In order to please them something else ought to have been said. Perhaps: We have certain problems and for this reason we shall in the first instance immediately abolish the whole of socialism. Together with workers' and peasants' power, state ownership and the leading role of the party. Such a plenary session and such a speech would have pleased them. They would have praised such a "turning point" to the heavens. However that is not the situation. Hence, watery soup with bones. Of course, that has nothing to do with journalistic care. Or perhaps with the class point of view?

Ott Criticizes Genscher's 'Presumptuous Speech'

LD1910154189 East Berlin Voice of GDR Domestic Service in German 1500 GMT 19 Oct 89

[Text] The GDR has today resolutely protested against constant pieces of advice from the FRG. On the fringes of the annual meeting of the Institute for East-West studies in Frankfurt am Main, Deputy Foreign Minister Ott said, it would be very becoming for representatives of other states to cure themselves of such vocabulary as "must." Pointing to a presumptious speech by Foreign Minister Genscher, Ott stated, "We shall solve our problems by ourselves." Talks were going on in the GDR with all those who were prepared for dialogue on the basis of the Constitution. None was being excluded. He saw no problem in differing opinions. Ott reported on the talks in Dresden and said, "We imagine something like that in the future too."

Talks With FRG on Cooperation Progress

LD1910215989 East Berlin ADN International Service in German 1631 GMT 19 Oct 89

[Text] Bonn (ADN)—The results of fulfilling the governmental agreement on cooperation in science and technology concluded in 1987 between the GDR and the FRG should be evaluated positively. Dr Klaus Stubenrauch, state secretary in the GDR's Ministry for Science and Technology, and Dr Gebhard Ziller, state secretary in the FRG's Federal Ministry for Research and Technology, meeting in Wiesbaden today for discussions, made this evaluation. Particular emphasis was given to work on energy research, biotechnology, production automation, materials research, and construction. The sides discussed measures for the further development of scientific and technical relations to mutual advantage.

Reinhold Says FRG 'Strains Relations'

AU1210152289 East Berlin HORIZONT in German No. 10/1989 (signed to press 2 Oct) pp 8-11

[Interview with Otto Reinhold, member of the SED Central Committee and rector of the Academy for Social Sciences attached to the SED Central Committee, by Christa Runge, deputy editor in chief of HORIZONT: "A Socialist Alternative to the FRG"—date and place not given]

[Excerpts] HORIZONT: Forty years of the GDR—this also implies thinking about its past, present, and future. How did you personally experience the October of 1949, and what expectations did you connect to this new state?

Otto Reinhold: In October 1949 I served as a young assistant to the director of the then recently founded Marxism-Leninism Institute, and the discussions on the developments in our country and in the FRG, which was founded in September, played a great role. There were two main problems that attracted our attention. After 4 years of antifascist democratic revolution we asked ourselves: How will this go on? Have we not reached the point where we have to develop the antifascist-democratic revolution further into the socialist revolution? In addition to that, our policy also included the struggle for a uniform democratic Germany. We had made great efforts to attain this objective, but step by step the West first set up the British-American Zone, then the British-American-French zone, and then prepared to establish a new state. We had to seek a response to all these developments and the result was—after the FRG had been established—the founding of a state of our own, namely the GDR, which I also welcomed with great satisfaction. Our own opinion was fully reflected in the USSR state telegram, which stated that the founding of the GDR was a turning point in the history of the German people and Europe. [passage omitted]

HORIZONT: The FRG's claim that it has the right to care for all German citizens is reflected in the fact that it does not recognize GDR citizenship, which is an essential basis for the campaign that was launched against the GDR in the past few weeks. Chancellor Kohl stated in this context: "I do not consider making a decision that would leave out the Germans from the other part of Germany." How can this be reconciled with the duties that were established in a treaty?

Otto Reinhold: Not recognizing GDR citizenship and the argument about the so-called duty to care for all Germans are inconsistent with the 1972 Basic Treaty, in which both Germans states defined their mutual relations under international law. Article 4 of this treaty expressly states "that neither of the two states can represent the other on an international level or act on its behalf." Of course, this also refers to the relationship with the citizens of that other state. This pan-German arrogation is a relic of the past; it is inconsistent with generally valid international standards and considerably strains relations between the two German states.

HORIZONT: To unreservedly accept the existence of two German states as a reality of the European postwar order in the interest of peace in Europe was equally true in the postwar period as it is today, in a time in which new political international structures are beginning to take shape. However, leading FRG politicians, under the cover of an "open German question" continue to challenge the existence of the GDR as a socialist German state. How long was the German question really open?

Otto Reinhold: I would like to begin my answer with a question. What exactly was the German question after 1945? I think that we had a clear idea what it was, namely to eliminate all sources and roots of fascism and militarism forever and to create a peace-loving German state from which war would never again start. For many years the struggle for a unified democratic Germany was one of the basic elements of our policy. The number of proposals we submitted in this context are countless. To draw conclusions from fascism and World War II—this is what we understood by the German question. Yet we did not manage to achieve this for all of Germany. This was partly due to the balance of power at that time, but also due to the policy of the subsequent leadership of the FRG, which started from the principle that it was better to have all of half of Germany than half of all Germany—but always with the objective of thus creating a basis on which it could one day incorporate the GDR. In this context, I recall a conversation between Adenauer and Golo Mann, who in 1967 asked Konrad Adenauer the following question: "Suppose it would have been possible to attain a reunited but neutralized Germany—would you have wanted it?" Adenauer's reply was: "No, never!" This means that for Adenauer maintaining the imperialist power structures had absolute priority over reunification. Thus, democratic renewal of all of Germany was prevented, but it was not possible to stop the historic process of the development of socialism in the GDR.

However, let me go back to the original question. It is difficult to indicate a day or a date when the German question no longer had to be considered open. However, I think that the year 1955, when the FRG joined NATO, was a decisive date, because the possibility of a unified democratic Germany was eliminated through this move. Thus, the path on which both German states had embarked—the construction of socialism in the GDR and the restoration and further development of the capitalist social system in the FRG —was consolidated, as it were. The FRG's entry into NATO resulted in the GDR's membership in the Warsaw Pact. In addition to that, the so-called Germany Treaty that regulates relations between the FRG and the Western occupying powers and the State Treaty between the USSR and the GDR were concluded. Thus, integrated in two opposing alliances, two independent and sovereign states with different social systems had come into existence, which had acquired a new status under international law as a result of international treaties with their respective occupying powers. However, even after that, the GDR submitted various proposals that could have led to unity or at least to a confederation, but none was accepted by the West.

Today, the existence of these two states has become an essential element of European security and balance at the center of Europe. Their existence and their independence are indispensable elements for the preservation of peace in Europe. This is also reflected in the Helsinki Final Act which has confirmed the unlimited sovereignty of all states in Europe, the inviolability of the existing borders, and noninterference in the states' internal affairs.

HORIZONT: Another argument for keeping the German question open, which has been described as the

FRG Government's main task, is the fiction about the continued existence of the German Reich within the borders of 1937. Only recently have corresponding statements by FRG Ministers Wilms and Waigel been rejected at home and abroad as a claim on Polish and Soviet territory that is unacceptable under international law. Replying to corresponding questions at a news conference in Bonn, government spokesman Klein simply stated: "This is the situation according to international law." How do you see the situation?

Otto Reinhold: This is not international law, but the content of one-sided views in the FRG. Despite provisos of the victorious powers included in the 1945 Potsdam Agreement that refer to "Germany as a whole," it cannot be denied that, with the capitulation of the German Wehrmacht, the all-German state power and jurisdiction ceased to exist, which led to the creation of two sovereign states. This is the situation according to international law which has been stipulated in numerous bilateral and multilateral agreements. For this reason, it is irresponsible on the part of politicians to insist on alleged legal standpoints that, as a matter of fact, no longer correspond to reality.

HORIZONT: In references to international law it has repeatedly been pointed out that a peace treaty has not been concluded to this date. Is this a convincing argument?

Otto Reinhold: In my view, it is not, because all essential issues that might have been the subject of a peace treaty have now been settled under international law. The reference to a later peace treaty contained in the Potsdam Agreement has meanwhile lost its basis, and I do not believe that we can expect such a peace treaty—which would also have to be concluded with the two German states. Forty-four years have elapsed since the conclusion of the Potsdam Agreement. Important facts have been established that cannot be changed without a war. So, of what use should such a peace treaty be?

FRG officials often claim that quite a number of issues have not been settled yet, such as the presence of troops of the victorious powers in both German states, or the status of West Berlin where three Western powers hold the supreme governmental power. However, solutions to these problems are conceivable within the framework of the struggle for a common European home. As is known, the USSR has suggested eliminating all troops stationed on foreign territory. If such an agreement were to be concluded, this would certainly also affect the two German states.

However, let me return once more to the discussion about postwar borders that has been revived in the FRG, particularly concerning Poland's western border. This is completely absurd, because Poland does not have a common border with the FRG. The call for changes concerning this border can only mean that those who put forward the call assume that they can liquidate the GDR and incorporate it in their sphere of influence.

If leading FRG politicians claim that the FRG's agreements with Poland and the USSR are declarations of renunciation of force but not agreements that recognize the borders, this is very alarming. History teaches us that those who question existing borders today will violate them tomorrow, thus endangering peace in Europe. For this reason, the inviolability of borders continues to be the central issue of European security, and it is extremely regrettable that no clear statement concerning the unconditional recognition of the existing borders was made by the FRG Government and Parliament during the Bundestag debate on the occasion of the 50th anniversary of the attack by Hitler's Germany on Poland. [passage omitted]

HORIZONT: Far-reaching processes of change—often in contradictory forms —are under way in the socialist world. This gives rise to illusory hopes and dreams among FRG officials which are the basis for a hysterical campaign against the GDR that reminds one of the cold war and is waged under the slogan that the leadership of the Socialist Unity Party of Germany (SED] must finally adopt the policy of reform that is pursued by other socialist states.

Otto Reinhold: Despite all contradictions, the fundamental changes in the socialist world pursue the goal of adapting the socialist society to new conditions, of shaping the socialist society in accordance with the new challenges of the nineties and beyond that time, and of making more effective the advantages and possibilities of socialism in the interest of all citizens. However, one cannot say that a clear concept has been elaborated everywhere; there is no doubt that some developments also give rise to concern. Ruling imperialist circles have based their strategy on this. It is mainly aimed at influencing these processes of change and pushing them in a direction that leads away from socialism and toward some kind of bourgeois democracy and a bourgeois society. It is not surprising that the GDR is the target of such attacks, because developments in our country have so far left little room for such strategies. We will continue to do everything possible to ensure that this will not change.

One of the most important elements of the attacks on the GDR is the claim that the GDR is unwilling and unable to carry out reforms. In my view, three things have to be stated in this connection: First, socialism cannot develop successfully without constant change and renewal, that is, without reforms. The GDR's entire history has been linked with reforms. This will must not change in the future. Second, we are not carrying out reforms for reforms' sake, but in order to further shape and strengthen the socialist order. Strangely enough, those who call for reforms claim, on the one hand, that socialism in Poland and Hungary testifies to the deep crisis of socialism but, on the other hand, they recommend this path to us. The degree of the efficiency of reforms cannot be measured by how often one talks about reforms, but on the basis of the actual developments in the sphere of economy, education, and in other areas. If one takes a comprehensive look at these processes, nobody can seriously claim that the GDR falls behind the other socialist countries in this respect. Third, our views on reforms are basically different from those of many ideologues and politicians in the FRG. A leading official of the Social Democratic Party of Germany suggested, for example, that the GDR should be "Austrianized" and subsequently integrated into the Western economic system. Nobody can seriously believe that we can accept such reform proposals.

HORIZONT: What do you think of ideas that were published in this connection by the paper of the FRG bourgeoisie, FRANKFURTER ALLGEMEINE, in the form of questions and answers: What would happen if the SED were to follow the example of the Hungarian "fraternal party"? It would turn into a social democratic party and the division of Germany could be overcome.

Otto Reinhold: If the SED were to become a social democratic party, this would ultimately mean that important principles of socialism had had to be given up, such as the foundations of the political and economic power structures, as well as the leading role of the workers class and its party. The SED, which is the result of a merger between Communists and social democrats, is one of the greatest achievements in the history of the German workers movement, and we will not allow anyone to ruin this achievement.

HORIZONT: You stated recently that the GDR is only conceivable as an antifascist and socialist state, as a socialist alternative to the FRG. So far, so good. However, it is surprising what conclusions have been drawn from this statement. An FRG paper interpreted your words in the following way: "Thus, Reinhold has admitted that the GDR has no national identity, which means that the German question is still open...."

Otto Reinhold: As a matter of fact, the GDR is only conceivable as an antifascist and socialist state. In the long run, a capitalist GDR side by side with a capitalist FRG would be inconceivable. This would ultimately pave the way for the dream of the ruling imperialist circles to come true, the dream to "fetch home" the GDR. The socialist development in the GDR is in complete agreement with the historical development. The idea of socialism existed long before 1945. Socialism has been the goal of the workers movement for over 100 years, and thousands sacrificed their lives for socialism. It is quite understandable that some people in the FRG do not want to accept the fact that socialism in our country and the GDR's national identity as a state are inseparably linked with each other. However, those who speak of keeping open the German question and of the continued existence of the German Reich within the borders of 1937 will not accept our position and the actual development in the GDR. Our national identity results from the fact that in practice we apply everything progressive from German history, from the fact that we have created a state where the roots of fascism and militarism have been eradicated for all times, and from the fact that we are shaping a community that serves the people.

HORIZONT: Remarkable progress has been achieved in relations between the GDR and the FRG during the past few years, despite the fact that the entire potential has not been utilized yet. What would have to be done to quickly breathe life into the stipulations of the Basic Treaty and the 1987 Joint Communique?

Otto Reinhold: There is no doubt that considerable progress has been achieved following the conclusion of the Basic Treaty and after Erich Honecker's visit to the FRG. This applies to the economy, science and culture, tourism, and many other spheres, without the existing potential being fully utilized. However, the most important thing in this context is for both German states—every one in its own way—to make the greatest possible contribution to the preservation of peace in Europe. As is known, the GDR has not only taken initiatives, but has also taken unilateral steps in the sphere of disarmament and other areas. In the interest of peace, as well as in the interest of the further constructive development of bilateral relations, it would be desirable for the responsible forces in the FRG to proceed in the same manner.

Unfortunately, one must state today that the campaign against the GDR, the theoretical and practical claim that the FRG has the duty to care for all Germans, including GDR citizens, and the call for a Germany within the borders of 1937 place a considerable strain on our relations. Numerous elections are scheduled to take place in the FRG prior to the end of 1990, including elections to the Bundestag. One gets the impression—many facts suggest this—that the Christian Democratic Union/Christian Social Union [CDU/CSU] is trying to make the so-called Germany policy the central topic. Strongly worded statements and the campaign against the GDR should help the CDU and CSU to overcome the crisis in which they have found themselves for quite some time.

HORIZONT: That means, the goal is not the elimination of the existence of two German states, but cooperative togetherness; but even in a European home, the border between the GDR and the FRG would continue to be the most sensitive border in the world for a long time to come....

Otto Reinhold: This in true in many respects. The border between the GDR and the FRG is not only the dividing line between the two systems and military alliances; the largest arsenals of nuclear and conventional weapons are also deployed on both sides of the border. Therefore, security along this border is a basic precondition for peace in Europe. Border provocations, such as the shots fired at Wahlhausen and Gherendorf, clearly show how important it is to prevent similar incidents. Just imagine what could have happened if one of our border guards had become nervous and had fired back! Responsible behavior along this border will still continue to be one of the primary political tasks for a long time to come.

HORIZONT: Western politicians have recently tried to outdo each other in calling for a removal of the Wall. Erich Honecker left no doubt that the Wall will remain as long as the conditions exist that led to its construction, and Gorbachev has described as irresponsible the statements to the effect that the Wall is the only obstacle to the construction of a common European home. What would have to change in order for the Wall to become superfluous one day?

Otto Reinhold: At least two preconditions must be fulfilled. First, real progress must be achieved in the sphere of disarmament and detente in Europe, so that both German states cease to be the greatest weapons stores in the world. Second, I think that is imperative that the FRG fully recognize the GDR's sovereignty in legal terms and act accordingly in practice. This includes the recognition of this border in accordance with international law, with all the consequences resulting therefrom. Under such conditions, it would certainly be possible to draft corresponding regulations for this border and to ensure that this border becomes an element of cooperation between the two states.

HORIZONT: Let me finally ask you a personal question. I already mentioned, as a negative example, a "vision for Europe." What is your vision for Europe?

Otto Reinhold: My "medium-term" vision for Europe is characterized by the fact that it must be possible to rid Europe of nuclear weapons, to achieve an inability to attack on the part of both military alliances, thus creating the basis for trusting cooperation between capitalist and socialist states in the interest of the peoples of the continent.

'Days of Meeting With GDR' Open in FRG

AU1810133889 East Berlin NEUES DEUTSCHLAND in German 14-15 Oct 89 p 5

[ADN report: "Days of Meeting With the GDR Opened in Wolfenbuetel"]

[Text] Hannover (ADN)—On Friday evening [13 October] "Days of Meeting With the GDR" were opened by Lower Saxony Minister Heinrich Juergens (Free Democratic Party) in the Lessing Theater in Wolfenbuettel (Lower Saxony). The minister expressed the hope that the numerous events with GDR artists and writers as well as the discussion forums on topical questions of general politics and economic and trade policy, all of which will take place over the next 14 days, will provide stimuli for the further development of relations between the two German states. As a highlight of the "Days of Meeting With the GDR" in the Lower Saxony city, he announced a tour by the Rostock People's Theater with Lessing's "Nathan the Wise."

Dietmar Keller, state secretary in the GDR Ministry of Culture, said in his festive speech that the days are part of the steadily increasing cultural exchange between the two German states. He stressed its importance both for mutual enrichment of the cultures and for the flourishing of political relations. However, equal political relations between states, which are based on the mutual recognition of sovereignty, are an equally indispensable precondition for mutual and joint cultural activities. The state secretary categorically rejected attempts to call into question the existence of the GDR and of socialism on German soil. "No one should claim the right to deprive my country of the right to self-determination and sovereignty," Keller said. Furthermore, if an attempt is made to replace equal talks with persuasion or interference, if the spectacle of electronically disseminated political shows is preferred over the entertainment value of the arts, it is not only culture that is in danger, Keller stated.

Deputy Chairwoman Receives PRC Delegation

AU1810194189 East Berlin NEUES DEUTSCHLAND in German 17 Oct 89 p 2

[ADN report: "Trade Unionists Want to Use More Their Right to Have Their Say"]

[Text] East Berlin (ADN)—On Monday [16 October] Johanna Toepfer, deputy chairwoman of the National Executive Council of the Free German Trade Union Federation [FDGB], received a delegation of the All Chinese Federation of Trade Unions (ACFTU), which is headed by ACFTU Secretary Zhang Fuyou and is staying in the GDR for several days. In the talk she pointed out that the trade unionists have a big share in the positive balance sheet of the 40-year development in the GDR. Now it is important for the organization to make a larger independent contribution to qualitatively new steps in the development of the society. For this purpose, the FDGB wants to use better the great opportunities for having their say as a trade union and to actively contribute to finding answers and solutions to newly emerged problems in the interest of the working people.

Zhang Fuyou said that China is unerringly adhering to the policy of reform and opening up in the development of the socialist society. This results in the responsibility of the trade union with its 100 million members to advocate more actively the democratic participation of the working people in the leadership of the state and the enterprises, in increasing production, and in raising the standard of living.

During their stay in the GDR the guests will visit enterprises and facilites in the bezirks of Gera and Suhl.

Diplomatic Observers Arrive in Namibia

AU1710104889 East Berlin NEUES DEUTSCHLAND in German 13 Oct 89 p 1

[ADN report: "GDR Observers Arrived in Namibia"]

[Excerpt] Windhoek (ADN)—The 30 police observers from the GDR, who will monitor the independence process in Namibia for about 6 months, arrived in Windhoek on Thursday [12 October]. Upon their arrival, Hans-Georg Schleicher, head of the GDR's diplomatic observer mission, stated that the participation of the police contingent in this important UN peace operation is another contribution by the GDR to implementing the independence plan, which is based on UN Security Council Resoluion 345. The participation of the GDR in the UN support unit for Namibia's transition to independence is taking place in line with its basic support for solving political conflicts in southern Africa, Schleicher said. [passage omitted]

Increase in Trade With Portugal Discussed

AU1810111389 East Berlin NEUES DEUTSCHLAND in German 13 Oct 89 p 5

[ADN report: "Portugal and GDR Want To Increase Exchange of Goods"]

[Text] Lisbon (ADN)—In Lisbon representatives of Portugal and the GDR discussed measures to increase the exchange of goods. On Thursday [12 October], at the end of the fifth session of the Joint Commission for economic, industrial, and technical cooperation between the two countries, it was reported that this goal is served by industrial cooperation, in particular in energy production from coal, in textile machinery building, and in the production of railroad passenger cars. The basis is the government agreement on economic, industrial, and technical cooperation, which was concluded in 1988.

The delegations stressed the mutual interest in deepening trade and eocnomic relations.

Army Delegation Concludes Visit to Switzerland

AU1810112489 East Berlin NEUES DEUTSCHLAND in German 13 Oct 89 p 2

[ADN report: "National People's Army Delgation Concluded Visit to Switzerland"]

[Text] Bern (ADN)—On Thursday [12 October] the delegation of the National People's Army, headed by Lieutenant General Guenter Leistner, deputy chief of the Main Staff of the National People's Army, concluded its several-day visit to Switzerland. Over the past few days, the delegation, which had followed an invitation by Corps Commander Rolf Binder, the head of training of the Swiss Army, had acqauinted itself with the problems of Swiss national defense and had visited units and facilities of the Swiss Army.

Lieutenant General Leistner stressed the usefulness of such visits in the interest of military confidence-building and the consolidation of peace in Europe. On behalf of Army General Heinz Kessler, GDR minister of national defense, he handed over an invitation to Kaspar Villinger, head of the Swiss Military Department, to visit the GDR.

Leaders' Public Appearances for 4-11 October

AU1310210789

[Editorial report] East Berlin NEUES DEUTSCHLAND in German from 5 to 12 October reports the following public appearances of GDR leaders (date of publication and page number in parentheses):

The following Politburo members and candidate members attended an award ceremony in the State Council in Berlin on 4 October: Egon Krenz, who presented the awards, Horst Dohlus, Werner Jarowinsky, Erich Mueckenberger, and Gerhard Schuerer. (5 Oct, p 1)

The following Politburo members and candidate members attended the military tattoo in Berlin on 4 October: Army General Heinz Kessler, Guenter Schabowski, and Inge Lange. (5 Oct, p 2)

The following Politburo members attended an award ceremony in the State Council in Berlin on 5 October: Willi Stoph, who presented the awards, Horst Sindermann, Kurt Hager, Joachim Herrmann, Guenter Schabowski, and Harry Tisch. (6 Oct, p 2)

Politburo member Hermann Axen and Politburo candidate member Werner Walde, first secretary of the Cottbus Bezirk leadership, visited work collectives in the Jaenschwalde youth power plant, date not given. (5 Oct, p 2)

Politburo members Heinz Kessler and Guenter Kleiber attended a festive event of the Western Group of Soviet Forces in Wuensdorf on 5 October. (6 Oct, p 4)

Council of Ministers Chairman Willi Stoph and Foreign Minister Oskar Fischer accompanied Polish guests to their laying of a wreath at the Friedrichshain Memorial in Berlin on 6 October. (9 Oct, p 6)

Willi Stoph and People's Chamber President Horst Sindermann held talks with various foreign guests who attended the celebrations on the 40th anniversary of the founding of the GDR in Berlin, date not given. (9 Oct, p 9)

Erich Honecker, general secretary of the SED Central Committee (SED CC) and chairman of the GDR State Council, received the new Algerian ambassador Abdelhamid Semichi for the presentation of his credentials in Berlin on 4 October. (5 Oct, p 2)

Erich Honecker received the foreign guests who were in the republic on its national day in Berlin on 6 October (9 Oct, p 5)

Erich Honecker received 'Ali Salim al-Bid, general secretary of the Central Committee of the Yemeni Socialist Party, in Berlin on 9 October. (10 Oct, p 1)

Council of Ministers Chairman Willi Stoph received Toivo Pohjala, minister of agriculture and forestry of the Republic of Finland, in Berlin on 9 October. (10 Oct, p 2)

Politburo member Werner Eberlein visited the Oschersleben Pump Factory on 4 October. (5 Oct, p 4)

Politburo member Army General Heinz Kessler received Admiral Vitaliy Ivanov, commander of the USSR Baltic Fleet, and Rear Admiral Piotr Kolodzieczyk, chief of the Polish Navy, in Berlin on 6 October. (9 Oct, p 9)

Politburo member Erich Mueckenberger met with Soviet veterans in Berlin on 9 October. (10 Oct, p 2)

Politburo member Gerhard Schuerer, deputy chairman of the Council of Ministers and chairman of the State Planning Commission, received Yao Yilin, member of the Standing Committee of the CPC Central Committee Politburo, in Berlin on 6 October. (9 Oct, p 9)

Politburo member Werner Walde, welcomed the PRC delegation headed by Yao Yilin, in Cottbus on 8 October. (9 Oct, p 9)

Inge Lange, candidate member of the SED CC Politburo and secretary of the SED CC, attended a festive session of the Presidium of the Democratic Women's League of Germany in Berlin on 4 October. (5 Oct, p 2)

Holy See Sends Letter to Nemeth on Ties

*LD1810175889 Budapest MTI in English
1721 GMT 18 Oct 89*

[Text] Budapest, October 18 (MTI)—'The Holy See is ready to examine the regulation and full normalization of bilateral relations with Hungary', a letter to Prime Minister Miklos Nemeth from Cardinal Agostino Casaroli stresses.

The letter comes in reply to the lines of greeting the Hungarian prime minister wrote to the cardinal to mark the 25th anniversary of the signing of the agreement between the Holy See and Hungary.

In his letter, the cardinal also recalls the event that took place a quarter of a century ago, and states that the agreement reached then ended the age of reciprocal isolation, made regular two-way meetings possible, and brought about a turn in the situation of the Catholic Church in Hungary. The agreement, runs the letter, has yielded its fruit, creating the atmosphere of reciprocal respect and growing confidence.

Discussing the current changes in Hungary, Cardinal Casaroli warmly greets the intention to create a law-governed state, and within this a church policy based on full respect for the freedom of conscience and religion.

Cardinal Casaroli stresses that all this will promote the renegotiation of the 1964 agreement, and the opening of discussions between the Holy See and Hungary on the restoration of diplomatic relations.

In this respect, the cardinal states that inasmuch as the Hungarian side appoints a negotiating delegation in this issue, the Holy See would be ready to begin discussions.

HSP Representative Kotai on GDR Party Changes

*LD1910164789 Budapest Domestic Service
in Hungarian 1500 GMT 19 Oct 89*

[Interview with Geza Kotai, Hungarian Socialist Party, HSP, representative, by Peter Zentai about changes in the GDR; place and date not given—recorded]

[Text] [Zentai] Does the HSP still consider the GDR's Socialist Unity Party of Germany [SED] as its fraternal party?

[Kotai] We have not been using the term fraternal party for quite some time now. We do not like this term. What we are trying to do is further widen, broaden the links with every socialist, social-democrat, or reform-communist party. HSP Chairman Rezso Nyers greeted Egon Krenz this morning in a two sentence-long telegram, in which he wished him success in his work.

[Zentai] The brevity does, in effect, amount to taking a stance. Is this too a signal addressed to the SED that: We are still cautious about you?

[Kotai] We are waiting to see whether what takes place will not only be the reshaping of the small details but...[changes thought] In our experience, a complete renewal is needed in the countries of socialism. In other words, we can interpret it, after all, the way one says it too.

Interior Ministry Press Briefing on Refugees

*LD1610204389 Budapest MTI in English
1706 GMT 16 Oct 89*

[Text] Budapest, October 16 (MTI)—From October 15, under the Geneva Convention on Refugees, the Refugee Office is to decide in the affairs of people seeking refuge in Hungary, said a press briefing held at the Hungarian Ministry of the Interior in Budapest on Monday. The first permanent refugee camps are to open in the next few days in Hajduszoboszlo and Bekescsaba. It was also revealed that from January 1, 1988, 22,553 Romanian citizens have been given residence permits in Hungary. The number of refugees has recently been on the increase - during the last six months 4,125 people were granted residence permits. Out of the 22,553 refugees, 17,788 were of Hungarian nationality, 3,498 Romanian and 1,267 German. 2,500 Left for a third country, and 528 returned to Romania.

Further Reportage on National Assembly Meeting

Sebok, Raffai Speeches

*LD1710180689 Budapest Domestic Service
in Hungarian 1335 GMT 17 Oct 89*

[Excerpts from the relay of the Hungarian National Assembly session in Budapest—live]

[Excerpts] [passage omitted] [Lajos Horvath] The next person to speak is Janos Sebok, deputy from County Veszprem's No. 12 constituency.

[Sebok] Esteemed National Assembly, esteemed fellow deputies: When we enact the draft laws on the agenda, we will be able to say that the party-state has fallen, because we have carried out the dethronement. That is what I believe to be most significant and most valuable in the law. My opinion on the submitted drafts is that the negotiating sides, their experts, those from the Justice Ministry who prepared the legislation, did thorough circumspect work. Indeed, they ensured a good political basis for the National Assembly to discuss the drafts and enact laws. However, in spite of what I have said, I state that I am responsible for the laws, primarily, to my electors. For this reason, I cannot place party interests in front of the nation's interests. I note that no one can deny that the decisive majority of the laws are the compromise of party interests. Thus, I maintain the right to avail myself of the opportunity to make specifying, supplementary proposals to the draft laws. [passage omitted]

I have managed to have my modifying proposals typed out, and there they are, in front of my esteemed fellow deputies. I will begin with two modifying proposals that are necessary owing to current reality. It is a matter of modifying the constitution's first, second, and third paragraphs; one in the form of a sentence, the other by means of supplement. The text is there in front of you, so you can see it. I have various questions regarding this necessity. I would like to share them with you, with the government, and I ask myself them. If the function of ideological commitment and party delegations is to further avail themselves of representing the state abroad, well I do not have to say what it meant for the country while this happened. Yet, if they further avail themselves, I have the following questions firstly to the first proposal, thus the second paragraph. Who will convince, and how, Ceausescu and his friends of principle that, firstly, we are not, and will not be, ideologically committed or obligated vis-a-vis any state. Naturally, I do not contest this right from the parties.

Second, no party in our country has the right to safeguard its power, as was desired in the case of Poland, because in our country there is no party which might have a historical, moral, or any right to rule against the people, over the people, and on behalf of the people. The party will no longer be a power factor in our country. Thus, there is no need to safeguard what does not exist. That is, in our country it will be the right of the peole alone, to elevate a party to the skies, or to sweep it off of the political palette. No one can protest against this by means of force.

Third, we will not ask for, and we will not give, internationalist assistance, and we will not tolerate the Warsaw Treaty's assuming the role of gendarme, and choosing a leader to its liking, or removing a leader it does not like.

To my second proposal: Who will convince the party leadership of the Warsaw Treaty, and the party leaderships of the other so-called socialist states, and who will make them accept that, first, a party cannot represent the state abroad? Thus, agreements, treaties, statements that come about at bilateral talks do not obligate the organs of state power to anything. Second, a party leader cannot take part in the Hungarian delegation at the session of the Warsaw Treaty's Political Consultative council, or otherwise all of the party leaders must take part. Well, dear fellow deputies, these thoughts have arisen, and I believe we must give a guarantee that they will not happen. If we are able to give a guarantee, I will not even propose that this text be put in the Constitution. However, if we are not able to do so, I will propose that it be put in, because the Hungarian Constitution must not only be adopted and implemented by the Hungarian people, but it is the obligation of every state to respect it. [passage omitted]

My final proposal: The third paragraph of clause 40/B on page 28, the passage of the text which is between dashes. That it should be frameworks defined in the Constitution and in separate laws which have validity in the direction of the armed forces, and that there is no need (?for any such passage) if valid international agreements do not decree otherwise. Esteemed fellow deputies, there is no such international agreement. I have searched in government's archives; I give thanks to those, ranging from the deputy minister to the archivists, for the work with which they provided assistance. I would like to call it to the attention of our premier, our foreign minister, that they were unable to put in my hands any such international agreement that might have been original. They were unable to say where they were. There are only copies here, and copies mean that they are not worth a lot, since it is possible to make copies in all sorts of ways.

However, I would yet add that regarding the international treaties please read what memorandum had been sent to your predecessor. How many irregularities exist in the international treaties signed by the Hungarian side, lest that these international treaties be reviewed in the future by the responsible committees and that they should find not only irregularity but illegality too?

Returning [to the previous point], thus there is no international treaty; for I have found a declaration by the Joint Armed Forces of the Warsaw Treaty member states and these too—I will read these two passages immediately—make me say that there can be no handing over of the direction of the armed forces to another foreign organization, because this still valid passage reads: The troops of the Joint Armed Forces of the Warsaw Treaty member states remain subordinated to the national commands of the joint armed forces and their activities are regulated by the laws effective in every country. Thus, a priori it is ruled out that the laws of another country should pertain.

The other passage reads: It is the sovereign right of the government of every member state of the Warsaw Treaty to decide regarding such proposals and recommendations of the joint command which apply to the armed forces of the given state.

Thus, it means that the commands of the joint armed forces have only the right to recommend and it is up to the government whether to accept it or not. By the way, let me just add that I know that such a reference is also possible which says that a Political Consultative Committee exists which has decisionmaking right perhaps. Please, I have found no reference whatsoever to this, only in the founding document of the Warsaw Treaty in which its establishment is laid down. However, you do accept from me, do you not, that if we create an organization then that organization must show as to what its legal standing is, what it possesses, what its area of jurisdiction is, what issues it can decide about, and so on and so on. Such a document does not exist in Hungary.

Thus, then one may put this question perhaps even in such a way as to whether this body is legitimate at all.

Esteemed fellow deputies, I have made by proposals, I have finished. Please think it over and support me with your proposals. Thank you for your attention. [applause] [passage omitted]

[Acting chairman] My monitor says that Erno Raffai, our fellow deputy from County Csongrad's No. 20 constituency, wishes to speak. Is this an error, or do you wish to speak?

[Raffai] I wish to speak.

[Raffai] [passage omitted] My second proposal is as follows. I think that a nation cannot, is not able to, in certain situations it is simply incapable, to express its own interests precisely, exactly, in the event that foreign troops are stationed on its territory. I raise before you, and at the same time I propose, that it should be laid down in the future constitution of the Hungarian Republic that foreign troops, or foreign political advisors, should not be stationed on the territory of the Hungarian Republic. I know well, my esteemed fellow deputies, that what I have just said has very serious international connections as well, international interests, and within that, Hungarian interests. I still think that a constitution—and as you see from his hours-long debate, this is a very far-reaching, a virtually new constituon of ours, which will come into being—that a constitution must contain the fundamental issue of the independence of nation, or rather a nation's statehood; It must contain what I have proposed. Thank you for your attention. [applause]

[Acting chairman] Now I ask that we listen to our fellow deputy, Csaba Hamori.

[Hamori] Esteemed National Assembly, I respectfully announce that the Hungarian Socialist Party's [HSP] National Assembly group was formed yesterday afternoon. The group is open. We await our fellow deputies to present themselves. We are counting on the participation of all our fellow deputies, of all those who accept the aims of the HSP. Naturally, we do not count on those who have not been able to abandon their earlier state-socialist conception. I trust that the new party's new National Assembly group will work in a new spirit. Thank you for your attention. [applause]

[Acting chairman] Esteemed National Assembly, we have finished the work of our session for today. I close the day's session. I wish you all good rest.

Kulcsar Explains Bill

LD1710160989 Budapest MTI in English
1423 GMT 17 Oct 89

[Text] Budapest, October 17 (MTI)—The elaboration of the constitutional means of political transition, is a process of historical significance. The government—whilst taking into account the position adopted at the trilateral political discussions—accepted the reversal of the legislative procedure (i.e. that the new constitution should be elaborated by the new parliament, founded on a multi-party system). This was stated by Kalman Kulcsar, minister of justice in his expose on the bill presented on the amendment of the constitution.

Until this is instituted, the timely constitutional law procedures should be implemtented for achieving the change of the political system and the formation of the new constitutional institutions, as set down in the bills submitted. The bill sets forth the principles of the new constitution, of paramount importance for a peaceful transition. In addition, it includes the fundamental rules of the new constitutional state, the practice of power based on sovereignty, multi-party system, the vindication of the principle of the distribution of power in the state apparatus, the new interpretation of human and citizens' rights and guarantees, and institutional guarantees for safeguarding the constitution.

Amendments Debated

LD1710225789 Budapest MTI in English
2049 GMT 17 Oct 89

[Text] Budapest, October 17 (MTI)—There were 24 contributions and several amendment proposals made in the debate on amending the Constitution.

Parliament decided it would set the election for president of the Republic at this session, in spite of the fact that 200,000 signatures have been collected on the initiative of the Alliance of Free Democrats (SZDSZ), calling for a referendum on the date of the election. However, the overwhelming majority of the MPs, as was stated during the session, believe that those who oppose the direct and soonest possible election of the president of the Republic consider the nation unsuited to decide about its president now, on its own.

In this respect, a sharp debate came about between MP Eva Balla of Budapest (who recently became a member of SZDSZ), and MP Zoltan Kiraly of Csongrad County.

Mr Kiraly, who was nominated presidential candidate by the Szeged organization of the Social Democratic Party of Hungary, announced: He does not wish to participate in the fight for the candidacy. Giving his reasons, Mr Kiraly said he had been accused by several people in the wake of his remarks made at the parliamentary session—which criticized the signature collecting action of SZDSZ—that his contribution was made already as preparation for the candidacy. Mr Kiraly did not, however, exclude the possibility that he would enter the presidential election, if at least 100,000 signatures (which is twice the necessary amount) are collected, and he is thus proposed to be president of the Republic.

Following the debate—as was reported—the work of the session was adjourned.

Kulcsar 'Expose'

LD1910121389 Budapest Domestic Service
in Hungarian 0842 GMT 19 Oct 89

["Expose" by Justice Minister Kalman Kulcsar at the National Assembly session, Budapest—live]

[Excerpts] Esteemed National Assembly, I would like to make just a few brief observations about the draft bill on the Constitutional Court, since I have already spoken about this topic in detail in January, in the course of the constitutional amendment, and to a certain extent, embedded in the wider context, it also came up in the introduction to the constitutional amendment.

The necessity for the existence of the Constitutional Court as an institution is justified by the acceptance of the values of constitutional statehood, particularly, on a principled basis by the constitutional amendment built on the principle of the separation of the branches of state power. Looking back also on the development of the Hungarian Constitution, in which the principle of constitutionality has been alive for many centuries, it was however, and I stress, in 1972 that the thought of the organized and institutionalized protection of the Constitution came up for the first time at the level of the wording of the Constitution. In the course of the constitutional amendment of that time, the Presidential council was granted competence for constitutional control. On the other hand, the 1983 constitutional amendment brought into being the Constitutional Law Council, as an independent organizational form, for the task of protecting the Constitution. It is common knowledge that the legal solution did not lead to results. The causes of this are to be sought primarily in the set-up of the political power structure. [passage omitted]

Esteemed National Assembly. Hungary was not the first or the only country where fears for parliament's sovereignty arose owing to the operation of a constitutional court. [passage omitted] I am of the view that it can serve to satisfy us all that in Hungary today there is no political power, but neither is there any notable political force, which would not pursue, or wish to pursue, its political activity within constitutional frameworks, reckoning with and accepting the institutional system of constitutional control. Thus, at least, I hope, we will not have to reckon with the above-mentioned argument in the future.

The draft bill submitted to the esteemed house, however, is an indispensable part of the public law reform process aimed at the development of the constitutional state. The constitutional state means not only the constitutional order of the practice of state power resting on definite legal principles, but also the existence and operation of those institutions whose task is to retain the accepted norms and to have them retained. [passage omitted]

In working out the sphere of influence of the Constitutional Court which it is planned to set up, we took into consideration also the experiences of West European constitutional development. In accordance with this, the draft extends the sphere of influence of the Constitutional Court to a so-called anti- and post-norm control [elozetes es utolagos normakontrol], to the protection of citizens' basic rights and to the interpretation of the constitution. We consider it an important guarantee that the citizens, on account of the infringement of their rights guaranteed in the Constitution, if the cause of that is the application of an unconstitutional rule of law, may turn with a constitutional law complaint to the Constitutional Court.

For the handing in of the complaint, the draft prescribes one more condition, namely, that the possibilities for other legal remedies have been exhausted, because I think it is clear and acceptable that the constitutional court can not replace the function of the ordinary judicial organization.

The Constitutional Court proceeding, characteristically, is a proceeding that can be started on request. Possibility for proceeding initiated ex officio exists if the Constitutional Court observes that the rules of law and the other legal tools of state direction clash with international treaties, or if it finds unconstitutionality manifesting itself in negligence [mulasztas]. This latter, in essence, means that some organ did not fulfil its duty to enact a rule of law. Also in the cause of the interpretation of the constitution, the proceeding is to start ex officio; as a matter of fact the draft contains this as an alternative regulation.

Esteemed National Assembly. In view of the fact that in the course of the political coordination, the personnel requirements of the Constitutional Court were the subject of central attention, it is or this reason that I must briefly deal also with the regulationary concepts that were shaped in the wake of this agreement. The constitutional judges—and this regulation has already been contained in the Constitution Amendment Law—are to be elected by the National Assembly with a two-thirds majority, on the basis of the recommendation of a committee consisting of members designated by the parliamentary groups of parties disposing of representation.

The term of the mandate of constitutional judges is 9 years, but there is one possibility for reelection. Incidentally, the Constitutional Court is a 15-member body. The presidents and vice presidents are elected by the members, from among themselves, for 3 years, and they may be reelected. The draft regulates a three-stage election procedure. In accordance with this, at the time of the forming, establishment of the Constitutional Court, in other words, at this session, the National Assembly elects only five members of the Constitutional Court. A further five members will be elected by the National Assembly convened after the next elections, within 2 months after the founding session. Finally, the third election, which again provides the possibility for electing five members, has to take place within 5 years after the setting up of the Constitutional Court, after 1 January 1991. The evident political objective of this solution is that not only the current National Assembly, but also the National Assembly convened on the basis of multiparty participation elections, may obtain the possibility for subsequent decision in the shaping of this extraordinarily important institution. [passage omitted]

I am of the view that the administration, in the fulfillment of its most important task, namely, in leading the country towards the peaceful political transition, is taking a significant step forward with this, together with the already adopted laws of common law and penal law. I feel that society, on the basis of this, can trust in the government, and I request this trust for the future as well, without which the forthcoming large, grave tasks of the transition can not be resolved.

Finally I would like to state that I agree with what is contained in the report of the Legal, Administrative and Judicial Affairs Committee. I would merely submit one proposal, or rather I would support that it be submitted to a thorough debate, and that this is the proposal that has been made for the seat of the Constitutional Court. I think that perhaps it would not be inexpedient to think about how we may ponder a certain decentralization, geographical decentralization, too, of the supreme state organs concentrated in Budapest. I ask, for this reason, that the National Assembly should consider the draft bill submitted by the deputies. At this moment the government has no decisive stance in this connection. [passage omitted]

Once again I ask that you kindly debate the draft bill and adopt it.

Court Bill Passed

LD1910131789 Budapest Domestic Service in Hungarian 1014 GMT 19 Oct 89

[National Assembly Deputy Chairman Lajos Horvath conducts voting by National Assembly deputies on the draft Constitutional Court bill—live]

[Text] [Horvath] I ask the deputies to vote on the entire draft law submitted on the Constitutional Court, together with the already-accepted modifications and according to the accepted variant. Please press the button.

[Unidentified Correspondent] If the deputies adopt this, they naturally will also accept the clause which establishes that the seat of the Constitutional Court will be in Esztergom, as was discussed in the debate.

[Horvath] I declare the resolution: The National Assembly has adopted the draft law on the Constitutional Court, with 320 votes in agreement and 1 abstention.

Horvath's Address

LD1910162389 Budapest Domestic Service in Hungarian 1052 GMT 19 Oct 89

[Speech by Interior Minister Dr Istvan Horvath presenting the draft electoral law to the National Assembly in Budapest—live]

[Excerpts] Esteemed National Assembly. The events of the past months, the requirement for change, and the real developments again offer experience that is valid for decades. After stormy decades which were imbued with ideals of freedom and endeavors for independence, a historic opportunity at the end of the 20th century—that has put man and people to the test—is again offered in our homeland to create a legal state with a new constitutional system, in accordance with the European ideals of freedom. The laws adopted so far at the current session are outstanding stages in this process.

On behalf of the government, and in the framework of a keynote speech, I am able to submit to Parliament draft laws pertaining to the election of National Assembly deputies and also the election of the president of Republic, which are in harmony with these efforts and are also determinants thereof. [passage omitted]

I see the essence of the government's proposals to be that they make it possible for society's real political plurality to be expressed, thereby laying foundations for the role of the National Assembly in parliamentary democracy, and also for the political transformation to be carried through by peaceful means, free of major social conflict.

Esteemed National Assembly, I would like to speak first about the election of deputies. I cannot avoid mentioning some general issues concerning legal principle, by way of introduction. Perhaps these political and legal principles will assist in accepting the considerations which shaped the contents of the draft. The exercising of the electoral right, as a basic political right to which citizens are entitled, is also a means for creating the body of representation. [passage omitted]

First and foremost, alongside of the rational and moderate utilization of referendums and popular initiatives, it is the organs of representation which are renewed out of the people's will and which express the people's will, as well as their operation, which provide a basis for secure government. This is the characteristic of every modern, democratic legal state, which is linked historically to the formation of the general electoral right.

However, simultaneously with this and closely interconnected with this, the political parties, as institutions that form political will and opinion, have taken shape. The parties which come out with various political parties, as institutions that form political will and opinion, have taken shape. The parties will also come out with various political programs will run in the elections with awareness of their base in the masses—or in the hope of this—and in Parliament they will lay claim to a proportion of mandates which accords with the extent to which they are supported. Experience also verifies that beyond internationally accepted principles, such as for example the universality, immediacy, and proportionality of the electoral right, and alongside the extensive nature of other organizing principles—which I will not discuss in detail now—the rules of democratic elections are organically linked to the political conditions. [passage omitted] Every marked social- political change virtually necessarily entails the adoption of a new electoral law which reacts to the given conditions and is linked to these, and it also entails a transformation of the election system. [passage omitted]

Esteemed National Assembly, the development of a political representation is taking shape in which the influencing- and policy-forming force of the various parties is becoming increasingly determinant. If this is not impeded, it is a natural process which has been at the disposal of people in countries with fortunate histories. The electoral systems which came about thus and which were generally required by stable political structures were developed after political battles, but apart from some exceptions were elaborated in an organic manner and became stable institutions. The instance of the unformed relations of political force amid less-consolidated circumstances is different. In this case, the electoral system by necessity has a stronger impact on the structures of political power. This is also true of present Hungarian conditions.

If we do not take these into account, we may easily gain the feeling that the rules of the electoral system can be shaped arbitrarily. A system of political representation which radically differs from the previous one, one which if you like is a different model, also requires an electoral system which varies from the hitherto one.

According to the draft, our new electoral system will not take over any hitherto-known ready-made solution in unchanged manner and in entirety from another country—neither from the West, nor from the East—but instead it will take our characteristic Hungarian conditions as a basis. The election system and electoral right will become an ever-stronger means of shaping politics; their role will be upgraded in influencing a new structure which is being formed.

In the social-political model based on a multiparty system, the place and role of representation will also change. The parliamentary majority will be the basis for forming a government, since only in this way can government activity be created which is answerable to Parliament. At the same time, there is no doubt that a parliamentary system based on the multiparty system will also considerably change the positions of the individual deputies, including here the substance, form, and style of contact with the electors, as well as, mainly, the nature of the responsibility felt toward them.

I believe that it is easy to recognize that in the conditions described, the parties and the organizations backing individual deputies will become determinant. Thus, with regard to the future direction of deputies' conduct, it is this, and not the current situation, which must be taken as a basis. On this basis, it is possible to judge the proposals which, of themselves, are difficult to object to and are well-intentioned, and which criticize our draft from the viewpoint of the advantages and disadvantages of our current system of representation. What am I thinking of? For example, that several people have, on the basis of the picture so far, understandably been concerned about how the deputies will be able to maintain contact with electors in the larger constituencies. According to the concept and practice in the framework of the one-party system, this concern is fully justified. Yet in circumstances in which the parties will do their utmost so that their representative's activity should, in the course of a future election, ensure a mandate for the party, they will take care that the relationship between the deputy and the electors is close, and for this the conditions will depend not simply on the goodwill of the local organs, but on the party's entire operating, active network. That is why the draft does not stipulate so-called fixed forms of mass-contact [koetoett toemegkapcsolati formak], such as those which have existed up to now, for example the obligation to report back; this is why it does not recognize the institution of recall.

Esteemed National Assembly, after this introduction, I shall speak about the main objectives and concrete institutions of the electoral draft law. In the debate over the law's conceptional issues, differences and opposing opinions which appeared irreconciliable clashed at the outset.

Against those who propose a system of exclusively individual constituencies were those opinions which held that only election by lists is acceptable. Without going into the details of the presumably well-known arguments and counterarguments, I believe that we have managed to formulate in the draft bill on electoral law a combined electoral system that best accords with our social political conditions, which are in a state of transition and formation. In this system the electors may send representatives in an equal proportion from the individual constituencies, and from the county and metropolitan lists drawn up by the parties.

Therefore, in the interest that political plurality, which appears in the programs of the parties and which is asserted through them, should operate within parliamentary frameworks, the political parties may put forward candidates both in the individual and the regional constituencies.

The creation of a correct party-political representation requires, and the draft bill guarantees, that even split votes should have a use. This purpose is served by the so-called National List, which is in no respect identical with the presently valid national list on which the electors have until now voted directly. The proposed National List is called upon to ensure not the hitherto objective, but that the distribution of mandates between the parties should occur, to the fullest extent, in proportion with the support of the electors.

The National List, therefore, is not a means for a protected leader to obtain a deputy's mandate, but for the creation of proportional representation. This is its role, and nothing else.

Apart from the provisions guaranteeing that the parties will obtain proportional representation, the draft also honors that social expectation which feeds on the present electoral system, and in which the regional interest, a real social interest too, can be expressed directly. It pays attention to the fact deriving from the temporary situation, that the political processes today are organized not merely through the political parties. For this reason the draft maintains the system of individual constituencies in a relatively wide sphere, in other words it creates a possibility for independent candidates to run as well.

Here I would like to touch upon those amendment proposals heard in the preliminary debates which are aimed at a smaller or greater increase in the number of individual constituencies. There have been some proposals aimed essentially at maintaining the present individual constituencies. However, the government at this stage is not able to support a further increase in the 152 individual constituencies recommended in the draft. Increasing the number of the individual constituencies—unless we were to increase the number of deputy's seats—but I think this cannot be considered a realistic alternative—would necessarily be accompanied by a reduction in the number of mandates that can be obtained on the county lists and the so-called National List which, on the other hand, would in a given case, mean a grave violation of the principle of proportionality.

Local interests necessarily appear more emphatically in the individual constituencies, and this carries the danger that Parliament would be articulated not according to real political power relations. And this also raises the danger of ungovernability. [passage omitted]

The basic idea of the draft, therefore, is that there can be no parliamentary democracy—at least in the foreseeable future—without party representation. On the other hand, in order to establish the real weight of party representation there is indispensably a need for proportional representation. And the best method for establishing this is the list system, or rather, the proposed combination of the individual and the list systems. [passage omitted]

In the preliminary debates it was likewise frequently stated that the draft does not directly guarantee the representation in Parliament of certain groups with particular interests, or, for example, of the nationalities. This is true. In this connection I would observe two things. One: the geographic distribution of the nationalities on our country's territory, for historical reasons, is such that separate constituencies cannot be designated for any individual nationality—at least, not without violating the principle of proportionality. Because, as a matter of fact, they do not live in relatively close blocs, as the Hungarians do in Romania, Czechoslovakia, Yugoslavia, and the Soviet Union.

The other thing is that the present regulation does not guarantee their representation, as a norm, either. In fact, their representation occurs on the central list, by political or administrative means. It is a high priority demand that in the future there should exist the undertaking of political commitment, and a political guarantee, for the representation of the nationalities.

I am certain that the party, which has the responsibility for proposing candidates, will also in this way embrace the cause of the nationalities with their interest properly understood.

To conclude the disputed issues, I will briefly touch on one other problem, and it is that certain counties are objecting that the number of their deputies is diminishing. This is true, and it is understandable that they are not happy about it. However, it is also a fact that certain counties earlier elected more deputies than were justified by the number of their inhabitants, to the detriment of other counties. The draft strives to better assert the demand for the equality of proportionality and number of votes, and this is how it will be equitable.

Esteemed National Assembly. Setting the legal conditions of nomination on to new bases, and the growth in the role of the parties, will probably result in a significant increase in the number of candidates. We have a fundamental interest in that the candidates of the various political forces should become known through an honorable election campaign and should be evaluated in lawful and authentic elections.

While the nominating procedure has become simpler, and it has largely moved into the parties' (?sphere) of decisions, the regulation and ethics of the election campaign come to the forefront with increased emphasis. The forthcoming election campaign, for which the legal conditions are given, will be a great test of strength of our political culture. The protection of interests incorporated into European election systems is formulated in these rules, namely the free expression of opinion; the free use of the wide stock of tools of propaganda; citizens' control; and the possibility of legal remedy in the entire process of elections.

The draft bill guarantees rights for citizens, while it establishes first and foremost commitments for the state organs, the organizations that carry out the elections, and the mass media; it imposes tasks on them, precisely in the interest of the assertion of citizens' rights. I would highlight in particular the fact that the telecommunications organs which have large mass influence, the Hungarian News Agency, the radio, and the television, will carry the appeal of the parties which are putting forward candidates for the election, under identical conditions, at least once free of charge.

It is likewise their duty, on the last day of the campaign, with identical program conditions for every party, without commentary, to issue the election summary prepared by the parties. These measures, just as the regulations relating to the free preparation and use of advertisements, leaflets, and posters serve the objective that the citizens, possessing real knowledge, should find themselves in a real election situation.

The new regulations which provide for the formation, composition, and policy of operation of the electoral organs are also worth attention. The national and regional electoral committees, as well as the vote-counting committees, consist of elected and authorized members. In this composition what is (?new) is the participation of authorized members, who take part in the work of the electoral organs in the representation of this or that party, or of independent candidates. Thereby a possibility opens up for the cooperation of the representatives of various political tendencies, for the unified control of the legality of the elections.

Their operation is public. Representatives of the press may be present at the work of the electoral organs without special permission.

Our earlier electoral law regulations received justified criticism because they did not contain the general possibility of judicial legal remedy. The new draft bill devotes a special chapter to the question of legal remedy and settles this reassuringly. Because if the electoral committee, extending to the whole of the election process, rejects the objections submitted by the electing citizens, candidates, or parties concerned then the metropolitan, the county, or the supreme court can be turned to for legal remedy against the rejecting decision. [passage omitted]

Esteemed deputies. With the adoption of the Constitutional Amendment, on the basis of your decision, the institution of president of the Republic has come into being, and it is one of the indispensable foundation pillars of the constitutional state that is in formation. In the debate on the Constitutional Amendment, arguments and counterarguments were heard with regard to the various methods of electing the president of the Republic. This, I feel, makes it possible for me to argue only briefly on the side of the draft, asking exemption in advance from the eventual charge of repetition. However, I wish to lay down a few basic issues.

The soonest possible election of the president of the Republic, as several people have already said recently, is not a party political interest but a general social interest, affecting the fate of the nation. We can find the token of a peaceful political transition to a democratic constitutional state today in the stabilizing function of the president of the Republic, to be democratically elected by the people. Even in the period prior to the parliamentary elections, which is cut through by the various political interests, and shot through with political skirmishings, the country's political stability and governability are in our elemental interest.

For this reason, at the time of the election of the president of the Republic, it is justified to turn to the country's population, so that every electing citizen, through his vote, should directly express an opinion about the person of the president of the Republic. The political weight and legitimacy of a president of the Republic elected by plebiscite [nepszavazas] can represent a guarantee for assuring a peaceful transition that accords with the interests of the entire country and nation.

The draft bill on the election of the president of the Republic was prepared in the spirit of this, for a once only occasion. The draft makes it possible, both for the parties and the self-organizing citizens, to nominate a president of the Republic. The only legal condition which the draft bill prescribes for the nomination is the collection of 50,000 supporting signatures. The expression of the identical will of a large majority of citizens is necessary for the election of the president of the Republic.

In this regard the draft requires a bigger proportion of participation and voting than for the election of National Assembly deputies. It could happen that, because of the division of the votes, it would only be possible to decide on the person of the president of the Republic in a second round of election. The draft bill provides a possibility for this and we trust that within a short time a president of the Republic, elected and supported by the people, will contribute to our country's internal stability.

I do not want to use big words, but when the esteemed House adopts the new electoral law, it will be performing a deed of historic scale; it will be creating the conditions of democratic parliamentary government; it will be giving a new model of social direction to the forthcoming generations. It now depends on your decision of how far the new law will contribute to the intended social political model change, what kind of electoral law Hungary will have when its people will be struggling undaunted to shape their destiny.

The new law, however, although it offers the most democratic solutions, cannot in itself bring about the desired changes. One has to know how to make use of the freedom and possibilities provided by the law, and if ever it was important, then now it is many times more important, not to abuse them. It is in the interest of all of us, and I think it is also the longing of our people, that there should be free, democratic, clean elections so that the political battle, which is necessarily becoming acute, should not be directed at incapacitating one another, at damaging human dignity. [passage omitted]

We have to see that the social political weight of the next elections goes far beyond the traditional significance of the general elections, and will have an effect on every basic institution of the newly forming constitutional state. For this reason, there will be a need for responsible conduct and the joint effort of every political organization, every party putting forward a candidate, in the interest of the success of the elections.

Now, when on the government's behalf I submit to the esteemed House the draft bill on electoral law, and I recommend it for adoption, I hope that both the adoption of the new law, and the elections to be held on its basis, will take us closer to a democratic Hungary, where the most important value is the human being, who not only wants, but is also able, to live as a human being. [applause]

Party Assets Law Adopted

LD1910141889 Budapest MTI in English
1304 GMT 19 Oct 89

[Text] Budapest, October 19, 1989 (MTI-ECONEWS)—The Hungarian parliament on Thursday passed a new law on political parties and their assets.

This follows the Association Bill passed last year, and completes the process of establishing a full multi-party system in Hungary.

The new law stipulates that party assets must be paid for exclusively through membership fees, state support, and the after-tax profits of companies and limited companies founded by the parties. Parties will not be entitled to accept contributions from foreign governments or from anonymous donors. All anonymous donations must be paid into a charity.

Following elections due next spring, all parties represented in parliament will be entitled to state budget support. 25 per cent of the amount will be shared equally, while the remaining 75 per cent will be divided according to the number seats each party has.

Budget support for any single party may not exceed 50 per cent of total party income and the total amount allocated from the budget will be determined by the State Budget Bill to be presented to parliament in December.

Parties will be allowed to deposit their money in all papers except shares.

All financial matters concerning the parties come under the authority of the State Audit Office which will, once a year, go through the books of any party which has been granted budget support.

Further on Party Law

LD1910142389 Budapest MTI in English
1309 GMT 19 Oct 89

[Text] Budapest, October 19 (MTI)—As reported, the National Assembly passed the Party Law on Thursday morning. Speaker Mrs Jakab, announced that the voting had not taken place the previous evening as a number of MPs had by left [as received] and, although the number for passing a key law with a two-thirds majority was present, it was considered the opinion of as many MPs as possible was required for such a key law.

The MPs rejected the individual motion that parties should no longer receive a subsidy from the state budget. Out of the two alternatives included in the bill on the ban of party operation at workplaces, the MPs voted to eliminate party organizations at places of employment 90 days prior to the elections. The decision of the National Assembly bans parties from setting up and operating organizations at workplaces, and soldiers and policemen from holding high party posts. The other item passed by a majority was that parties are only allowed to sell the assets they own and not those they manage.

In the vote taken on the entire bill, the law on the operation and financial management of parties was passed by 323 votes in favour, 4 against and 15 abstentions.

MTI Summarizes Party Law

LD1910175489 Budapest MTI in English
1647 GMT 19 Oct 89

[Text] Budapest, October 19 (MTI)—The purpose of the law on the operation and financial management of parties is to have political movements which actually wish to put up candidates at the forthcoming national elections, registered as parties.

According to the wording of the related law, the task of the parties is to provide an organisational framework for the formulation and expression of popular will, and for citizens' participation in political life. The law affects all those social organisations which have a registered membership, and which declare the related legal provisions as binding to their activity.

As is already known, one of the most important questions of the operation of parties is determining the venue for their operation. This question has given rise to prolonged and heated arguments. Therefore, the bill set forth two versions designed to depoliticise places of employment. Parliament passed a proposal, also backed by the opposition roundtable, which sets a uniform ban on the operation of parties in places of employment.

The law itemises all sources making up the assets of the HSP [Hungarian Socialist Party]. It also includes two related prohibitive decrees: on the one hand, the party cannot be subsidised from publicly-financed institutions or by state companies, and such a subsidy may not be accepted by the party. On the other hand, the law also prohibits the acceptance of subsidies from foreign states or unspecified sources. If this should happen, however, such subsidies should be transferred to the central budget, when the same amount will also be deducted from the given party's central subsidies.

Parliament is to fix the full amount of budget subsidies to parties, and the related decree will be included in its one-year law. Twenty-five per cent of the amount to be set aside from the budget for subsidising parties is to be distributed equally among the parties, while the other 75 per cent should be shared according to the result of the forthcoming elections. This, however, is a regulation that can be applied only after the parliamentary elections. Therefore, the law stipulates that a separate decision is to be reached by Parliament on the issue of the parties' central subsidies until the next general election.

Statement on Arrowcross

LD1910225789 Budapest MTI in English 2035 GMT 19 Oct 89

[Text] Budapest, October 19 (MTI)—On Thursday, the Hungarian National Assembly unanimously approved a statement condemning the open re-appearance of the fascist, Arrowcross (Swastika) idea.

'The Hungarian National Assembly learnt with profound indignation that fascism and the Arrowcross notion have openly re-appeared on a handbill.

'These are anti-human thoughts which unmistakably profess racism, and the merciless reckoning between nations, minorities and groups of people. They brand Jews, Gypsies, and communists as scapegoats: According to the handbill, these groups have no place in our society now taking shape.

'It would contradict the peaceful nature of the emerging democratic transition were we to let this event, which has upset the emotions of millions of people, pass without remark.

'We firmly express to the people of our nation and the world public that Hungary is progressing on the road to a law-governed statehood and the realization of human freedom. All forms of violence and hate endanger this unprecedented process that is being followed with great attention, as it can disrupt the co-existence of the minority-majority in our country. Genuine democracy is the stake.

'We declare that we are ready to take a stand, with all means available to us, against all such and similar provocations, and against the efforts to revive fascist and Arrowcross ideology. It is our conviction that a world of thought based on discrimination against our fellow human beings according to their religious beliefs, world outlook or race, has no place in Hungary.

'Fascist ideology, which pushed the entire population to the brink of destruction, can never again be allowed to gain ground in this nation', runs the statement approved by the National Assembly.

Vote on Arrowcross Statement

LD1910133189 Budapest Domestic Service in Hungarian 0810 GMT 19 Oct 89

[National Assembly Chairman Mrs Robert Jakab conducts voting by National Assembly deputies on a statement on the Arrowcross Party—live]

[Text] Fellow deputies, yesterday afternoon you were given the National Assembly's draft statement condemning the fascist Arrowcross ideas, which are reappearing. It is the task of the speaker of the house and its office to put the statement in final form. However, I now ask the National Assembly to agree with what it contains, to agree that we release the statement. I ask you to call out: yes. Does the National Assembly agree with this? [Deputies in unison call: yes]

Thank you.

Police Investigate Arrowcross Party

LD1910204889 Budapest MTI in English 1401 GMT 19 Oct 89

[Text] Budapest, October 19 (MTI)—It was announced on Thursday by the Ministry of Interior that thorough investigations are under way concerning the pamphlet announcing the reformation of the "Hungarian Arrowcross Party" which has caused public indignation over the past few days. Based on data provided so far to the press and the social organisations, the pamphlet was prepared as provocation, and there appears to be no genuine organisation. The demands set down are designed to incite racism, anti-semitism, feelings against gypsies and instigate the "massacre" of communists. Provocation is evidenced by the fact that telephone numbers given for enrolling into the "Hungarian Arrowcross Party" are those of well-known activists of the Alliance of Free Democrats and the Federation of Young Democrats (FIDESZ).

In recent days, police have come into possession of evidence which is expected to lead to the persons who committed the crime. It is hoped an arrest will take place in the near future. Details of the investigations will be made public.

Persecuted Minister Supported

LD1910144389 Budapest MTI in English 1307 GMT 19 Oct 89

[Text] Budapest, October 19 (MTI)—On Thursday morning [19 October] before discussing the items of the agenda, MP [Member of Parliament] Erno Raffay demanded the floor to speak on an issue which, he said, concerned the Hungarian nation and the entire civilization of Europe—the persecution of Laszlo Tokes, a minister in Timisoara, by the Romanian authorities for his Hungarian nationality and religious work. Mr Tokes is summoned to attend court on Friday morning and a conviction is expected. The MP proposed that the National Assembly should raise its voice against the persecution of the Transylvanian minister and assure him of its sympathy. The National Assembly expressed its solidarity with Laszlo Tokes.

The speaker then announced that the MPs received a draft statement which condemns the fascist and neo-Nazi ideas that have resurfaced. The statement was approved by the MPs and is to be published.

Election Postponement Recommended

LD1910220189 Budapest MTI in English 2004 GMT 19 Oct 89

[Text] Budapest, October 19 (MTI)—The debate on the bill on the election of MPs ended in the National

Assembly on Thursday evening, bringing the third day of the parliamentary session to a close.

The motions raised in the debate over the bill will be coordinated in the evening hours by the legal, administration and justice committee of parliament with the MPs who made them, and with the minister for home affairs.

MPs are to vote on the bill when the session resumes on Friday morning.

[Budapest Domestic Service in Hungarian at 1052 GMT on 19 October in a live relay of the National Assembly session provides the following information: Dr Csaba Kereszti of the Legal, Administrative, and Judicial Affairs Committee says: "With regard to the National Assembly's decision, the Legal Committee takes the position that it is more expedient to postpone the elections by 1 week. Therefore, we propose that the first round of the presidential election take place on 3 December, and in the event it is unsuccessful, that the second round take place on 10 December. At the same time, I think that simultaneously with the adoption of the decision, provisions should be made making it possible for parties, organizations, and electing citizens to collect the 50,000 signatures necessary for the proposal. Thank you for your attention."]

Delayed Session Resumes 20 Oct

LD2010123789 Budapest MTI in English 1027 GMT 20 Oct 89

[Text] Budapest, October 20 (MTI)—The National Assembly was unable to resume its session at 9 am on Friday on schedule, due to the fact that the meeting of the Legal, Administrational and Jurisdiction Committee had not finished. The committee continued debate Friday early morning on MP motions. The committee's position and any eventual changes in the ratio of MP mandates distributed according to individual constituencies and regional lists in the constituencies is eagerly awaited.

* Opposition Insists 23 Oct Be National Holiday

90EG0019a Budapest MAGYAR NEMZET in Hungarian 11 Oct 89 p 6

[MTI report: "Red Star on Parliament Building Will Go Out; 23 October Is a National Holiday, Not a Day of Remembrance"]

[Text] At 6:00 pm on 23 October, spotlights illuminating the red star on top of the Parliament building will be turned off. The star will no longer be illuminated until its permanent removal, as was revealed at Tuesday's press conference organized by the 23 October Committee.

Committee representatives told the meeting of their continued insistence on declaring 23 October a national and work holiday. Laszlo Sebestyen pointed out that the committee is unable to accept the idea that the day of the 1956 revolution be declared a day of national remembrance, consistent with the position taken by the Hungarian Socialist Party [MSZP] congress. In Sebestyen's view the concept is a meaningless, pale, artificial term, and the MSZP proposal that Parliament declare 23 October a day of national remembrance is the result of compromise reached within the MSZP.

Participation of 22 organizations in the workings of the 23 October Committee was finalized. These are: the 6 April Circle (Godollo), the Friends of Endre Bajcsy-Zsilinszky Society, the Association of Young Democrats [FIDESZ], the Independent Lawyers' Forum, the Independent Smallholders Party, the Independent Hungarian Democratic Party, the Christian Democratic People's Party, the Hungarian Democratic Forum [MDF], the Hungarian Independence Party, the Hungarian People's Party, the Hungarian October Party, the Association of Hungarian Political Prisoners, the Hungarian Radical Party, the Social Democratic Party of Hungary, the Alliance of Hungarian Revolutionary Socialists (Hungarian Trotskyist Party), the Recsk Association, the Republican Circle, the Alliance of Free Democrats [SZDSZ], the Freedom Party, the Szechenyi Casino Society for Culture and the Preservation of Tradition, the Solidarity Trade Union Workers Associations, and the Historical Justice Committee.

With regard to centrally organized functions to take place on 23 October, it is conceivable that speakers at the commemoration starting at 6:00 pm will deliver their speeches from one of Parliament's balconies. There will also be commemorative celebrations at the Szena Square and at the Zsigmond Moricz Circle. A photo exhibit of the 16 June funeral of Imre Nagy and his fellow martyrs will open on 22 October at the Young Artists' Club, and a forum will be held with the participation of the 23 October Committee member organizations and visitors arriving home from abroad for the 23 October commemoration.

MSZMP Forms Organizational Executive Committee

LD1910185389 Budapest Domestic Service in Hungarian 1730 GMT 19 Oct 89

[Text] There is extremely interesting internal political news: the Hungarian Socialist Workers' Party Executive Committee, make no mistake, the Hungarian Socialist Workers Party [MSZMP] has been formed. In their statement sent to MTI, they accuse the Hungarian Socialist Party leadership of practically committing itself in favor of the mixture of social democratic and bourgeois liberal ideas and thus divorcing itself from party membership.

The MSZMP's temporary organizational committee wants to found, or maintain, its party based on the constructive cooperation of various left wing forces; they are expecting applications.

Premier Nemeth Interviewed on HSP Congress

LD1610224689 Budapest Domestic Service in Hungarian 1900 GMT 16 Oct 89

["First Hand Information" program; interview with Hungarian Premier Miklos Nemeth by unidentified program presenter; date of interview not specified—live or recorded]

[Excerpts] [Presenter] In the next hour we shall have one guest—Premier Miklos Nemeth. [passage omitted, musical interlude] I believe that it is worthwhile to begin with the party congress. Is it true that in the weeks before the congress, you, properly speaking, were not on speaking terms with Reszo Nyers, and within the two of you, you were the one who avoided him?

[Nemeth] Well, there is much hearsay. Another congress took place in the corridors. It appears that it was in the interest of very many people who wanted to create a kind of tension and uncertainty surrounding the congress, to spread this kind of thing. It is not true that we did not speak with one another. It is not true that we had a row, nor is other gossip which was heard there true. However, it is true that we took differing stands before the congress regarding some issues which gave rise to a very great debate at the congress. This is, let me say, natural in the current world. It is not only true for the party, but in my view for government and Parliament that in order for us to be able to form a truly correct standpoint, it is worthwhile to discuss and thoroughly consider in the fullest possible way every argument, pro and contra, counter-arguments, and arguments in favor.

There were some such issues that were related not to the basic direction of policy and strategy, on which my conception was, and is, different from that of Rezso Nyers. However, between us this never deteriorated to the point of our not speaking. Thus, these reports are not true.

[Presenter] But why did people stir these ideas up?

[Nemeth] Those who stirred these up are the ones who ought to be asked. They came forth with increasingly nonsensical ideas—namely, that I was circulating a list, and that I would like to be party chairman. That is not true, because in the former Presidium and in the former Political Executive Committee, I resolutely said and pointed out that I did not wish to be either party chairman or president of the Republic. I must add this because on the 4th day of the congress, English television presenters caught me in the corridor and asked me that. I had to tell them that it had never occurred to me. I want to fulfil the task I have been charged with, decently and honestly, as long as the trust of Parliament of the people enables this.

[Presenter] What is your reason for accepting membership of the new Presidium? I am asking this because you said once before the congress that on your part, ending up in the team of four was, properly speaking, a concession. And again you have accepted a position. I am also asking this because it is related to what was said earlier—whether or not you wanted to be chairman.

[Nemeth] I believe that the current situation is entirely different from what the four-member Presidium was. I accepted membership in the four-member Presidium in order to promote, even more resolutely, the reform line which otherwise is being formed in government—and I dare to say it is being formed saliently—and in order for this to acquire sufficient support in the party. I wanted to proclaim and propagate it. That was one of my objectives.

The other objective was that if I was in the Presidium at that time, I was better able to propose, if you like direct and control, the dismantling of the party-state. I have to say frankly that in this Presidium, owing already to the personnel composition, such markedly differing conceptions—I am talking here about issues of political strategy—appeared, that I had to say I had committed a mistake for having accepted membership in this Presidium.

At this congress, when the post-Stalinist Hungarian Socialist Workers' Party [MSZMP] ceased to exist, was abolished, terminated, and regarding its program and basic statutes, a new party of left-wing commitment that organized itself anew on the basis of left-wing values came into existence. I personally took the stand that if I, from government, were honored by being offered a membership in this party Presidium, I would accept it in order to express my commitment to the new party that was being born, and in order to help this new party that was being born to the best of my strength and capability.

Well, I believe that the congress has created a very important point of departure, with its resolution and organization, but the tasks really are ahead of us. It would be very important to occupy a left of center, a credible left of center position, not only in the party, by means of the activity of organizing anew, but first and foremost among the people and in society. For this, there is an enormous amount of work ahead of us. If a truly new party is organized, and if credible, new people end up being elected or if they end up in the leadership, by democratic means, then there will be a chance for the party to prepare successfully for the elections. [passage omitted]

[Presenter] Karoly Grosz, who, properly speaking, acquired merits in dismantling Stalinism, spectacularly left the hall during your speech. Indeed, in his report he sharply criticized your statements, primarily the statement that certain leaders should leave the party.

[Nemeth] I did not notice that he left the hall. This is the first time I have heard this. Of course, if one delivers a speech, one does not keep an eye on who is moving. Obviously, there might be not just a political, but another reason for this. Yet, if you have mentioned it, obviously he should also be asked why he left (?during) my speech. I do not dispute that Karoly Grosz had very great merits in taking the first steps.

At the same time, I have to say that from the outset there were differences of view between us in political issues, and my feeling grew, as time passed, that he conceived of the reform as going at a less rapid pace, as being less marked, than I did, for example. Thus, I believe that history, the situation, surpassed him somewhat. At the same time, his merits to which you referred in your question, cannot be disputed.

[Presenter] I am interested in whether you have satisfactorily seen to the possibility of an honorable retirement for people who did historical service for the nation, such as, for example Karoly Grosz—who really took important steps at the party conference in May of last year in the interest of the party and the nation. I am also thinking of members of the apparatus, who in the course of the changes might feel themselves to be existentially endangered. It is generally known that three Central Committee secretaries are serving their periods of notice—among them are people such as Pal Ivanyi, who is known by public opinion to be a [word indistinct] person. This projects the danger that people who otherwise might be useful travel partners could also turn against the reform. Is this thoughtlessness?

[Nemeth] I do not think that it is thoughtlessness. Rather, it is much more. Here in central-Eastern Europe, namely in Hungary, we have not yet learned how to think and behave in a democratic manner. The mechanism has not yet taken shape which you mentioned in your question and is customarily called honorable retirement, departure with one's head held high, in a bourgeois western democracy. Not only hasn't the mechanism for this taken shape; nor is there an etiquette for this. [passage omitted]

[Presenter] Let me mention Pal Ivanyi, who was the respected chief mayor of Budapest. He got into the apparatus, obviously as a party task and in fact the capital now has no chief mayor of the type or calibre of a Pal Ivanyi. He will obviously not return to that post, and he will also have private, human problems, too. Who is responsible for this?

[Nemeth] Cadre policy and our cadre policy mechanism. Namely, that it was a mistake to take Pal Ivanyi away from the head of the capital. [passage omitted]

[Presenter] You were nominated premier at a very young age in the era of Karoly Grosz. What is the key to the mystery? How were you able to become a striking politician, how were you able to get yourself, your person, and your government, liked in your party's worst period? I think very many people are interested in this mystery? [passage omitted]

[Nemeth] Independence or autonomy is an elemental condition of the existence of every human being, and institution, too. [passage omitted] In the government this autonomy, and the formation of the team as well, happened when the Patriotic People's Front and the old MSZMP Central Committee gave up exerting an influence on the premier in the choice of ministers, for example. So, for the first time in our history in recent decades, it happened that a premier could choose his own men. [passage omitted]

The other thing which I consider to be a precondition on this road is healthy ambition and the opening up of possibilities. These people availed themselves of this possibility. It is not merely my personal credit. [passage omitted] It is certain that I am not guided by ambitions in the performance of this work, and I am convinced that most of the government members are not either. One thing is important: That we should not prolong ourselves—the individual members of the council of ministers, or the premier, into the next era—but that we should salvage this country, in a peaceful way, for the future. [passage omitted]

[Presenter] [passage omitted on preamble] Correct me if I am wrong, but it seems to me that up to the time that Rezso Nyers delivered his speech at the congress, the MSZMP had in actual fact expressed no opinion regarding the question of who the government owes responsibility to. Rezso Nyers was the first. It is true that this was after your speech, since you expounded on this. Now, a new situation arises in the National Assembly. It is absolutely clear that the party has to supervise its government through the communist faction. But I do not know, in the case of this communist faction—which was selected back in 1985 according to the principles of the old personnel policy—who will run the Hungarian Socialist Party. In other words, it could be that this communist faction, by reason of the old reflexes, will turn against you. It could even happen that they will recall you. [passage omitted]

[Nemeth] Look, anything could happen.

[Presenter] Are you reckoning with this?

[Nemeth] In theory every possibility must also be thought through by a party as well, all the more by a government in such a situation. I would like to add a few things to this. First, the congress decided that on the basis of the program, on the basis of the statute, it will depend on the decision of every party, every party member, former MSZMP members, whether by 31 October they transfer or not, get re-registered or not—I don't know the correct expression—whether they register themselves. [passage omitted] So, a situation could arise such that I really don't know whether there will be a party behind the government at the next session of Parliament. But for the moment I don't even know what government member will express what opinion.

[Presenter] Well, that's what we wanted to ask you. I was waiting to ask you: Whose government is it? The news is already going around that three or four ministers will certainly not join the HSP. What will happen if many more than this do not join?

[Nemeth] Let us divide the questions in two. The government is responsible to Parliament, the nation, and society. This is how it has performed its work and that is how it will perform it in the future as well. That is why I welcomed, and I agree with, Rezso Nyers' congress speech, saying that in fact the time is over when we make decisions in the party that are binding on the government. This is very correct and I welcome it. I also heard the rumors. Already during the congress I convened the Council of Ministers, because this kind of gossip was already going the rounds there, that two, three, four, six, what's more 10, had already decided. The news was not true. I asked every one to think things over and tell me. But I did not rush anyone to decide before 31 October. People have to be given time.

[Presenter] Did Kalman Kulcsar, for example, inform you beforehand that he would probably not renew his membership and that he would accept the nomination for president of the Republic, in the colors of the People's Front?

[Nemeth] Look, I can understand that people are struggling with the decision. Thus, the government members may also struggle with the decision, and they have a right to do so. [passage omitted] You asked about Kalman Kulcsar. Kalman Kulcsar was, or is, also among these ponderers. [passage omitted]

[Presenter] Henrik Havas asked whether you are not afraid of the fact that the large majority of deputies will go over to the Grosz camp? [repetitive passage omitted] So this was one of the questions.

[Nemeth] In other words, whether they will withdraw confidence? In theory this possibility exists. I, however, believe that the relationship between government and Parliament, that historic responsibility which now falls to Parliament and government in the interest of the peaceful transition, does not vindicate the conclusion that this government should be punished by Parliament and that it should be made tdo pay penance, for instance by withdrawing confidence from it. I believe that even if there is no HSP majority in Parliament—let us say at the next session, starting on Tuesday—this question will not occur in this way to the deputies, who are guided by this responsibility and a sense of responsibility.

[Presenter] The other question is: What will happen if many ministers do not join the HSP?

[Nemeth] Well, we will then have to think again. I think that in this case a new situation will arise. I will have to weigh this new situation in specific terms. The government expects that in such a situation—if I may put it like this—a quasi-coalition will evolve, and this quasi-coalition, because it will have been shaped not at a multiparty system election, but the situation will have brought it about, this does not mean that this government should tender its resignation. On the contrary, the government should perform the tasks which fall to it, and if this question causes confusion in Parliament, then it will be necessary to clarify the relationship of Parliament and government in an open debate. The way this government works is that it does not try to weigh its decisions by starting out from some party interest or other. What it does is to try and see what is good for the country, the reform, and society. We adapt our strategy to this. [passage omitted]

To sum up, I would like to say that we put the stress on continuity. I believe that after the elections, too, the government's strategic line—in foreign policy, religious policy, education, cultural policy, I could go on—will overall be more or less exactly the same. This will also be continued by the government that comes to fruition. And if, by virtue of the elections, or the people, or the coalition negotiations, the honor is bestowed upon me that I may continue this, then I would like to do just that. But if this is not the final outcome, then I will honorably take cognisance of that.

[Presenter] One hears rumors that the country is facing financial collapse, whereas this had been predicted only for 1991. In actual fact, what is the country's financial situation like? The huge loans which have been brought together in the recent weeks—are these indeed real loans, in other words immediately utilizable, or are they just promises?

[Nemeth] These are not promises. They are specified amounts of money and, contrary to the past, we shall use a significant part of these amounts for the structural change of the economy, for enlivening enterprise. [passage omitted] Therefore, in order to manage our debt, there is a need for new loans. Our debt is at such a level that by now we have reached the situation where we must take up considerable loans in order to be able to pay them back. Not a cent goes to the economy [passage omitted]

With regard to financial bankruptcy, I do not accept this description. [passage omitted] I won't say that the situation is easy, because then I would not be honest, I would not be telling the truth. But this financial situation is treatable and the debt is manageable. [passage omitted]

[Presenter] You mentioned just now the visit to Hungary by the two provincial state presidents of the FRG. If I remember rightly Lothar Spaeth gave an interview saying that he had simply called Chancellor Kohl on the phone to ask if it was possible for Hungary to get a further government guarantee for dm 500 million—it would come at a good time for the Hungarians. We will add here on the radio that it was not granted because the Hungarian Government had helped the GDR refugees. It was almost like a fairy tale.

[Nemeth] Please, believe me, it was not for that. I visited the FRG as a Central Committee secretary in 1988, in May or June, I don't remember the exact date. Even then I had an exchange of views about this credit with the chancellor, with Strauss, who was alive then, and Lothar Spaeth. [passage omitted]

[Presenter] [passage omitted] You met today—this recording with you was made on Friday afternoon [as heard]—Johanes Vogel, chairman of the SPD [Social

Democratic Party]. Well, we saw that the member parties of the Socialist Internationale had given very weighty help to Spain for its democratization process. I ask you now: It is alright that we receive money, but to whom do we give it, where is the entrepreneurial stratum, that bourgeoisie which may be the motor of an economic resurgence in Hungary? [passage omitted]

[Nemeth] I understand this question very well. Our greatest problem is that we murdered the fundamental cells of civil society over the past 40 years, that we replaced enterprise, achievement orientation with other elements. Luckily we did not kill them all. Therefore I consider self-governments to be the holding pillars of democracy. Enterprise encouragement must be the number one priority of the coming years of the government program. [passage omitted]

[Presenter] [passage omitted] This party is no longer a workers' party, but has become a national party—and I assume that you will accept this entrepreneurial stratum—but where are those people in this party who call attention to themselves by their successess in the economy? There are no entrepreneurs.

[Nemeth] There are entrepreneurs, but they, very tangibly commit themselves to the Independent Smallholders Party primarily. It is impossible to change the distortions of bad policy of 40 years overnight. This is what I meant by credible measures. If this party and, most of all the government, proves that it does not only talk, but acts to encourage enterprise, the people, society, will believe. [passage omitted]

[Presenter] We have already mentioned international relations: The FRG provincial state presidents, Vogel, Spaniards. You have already briefed Czechoslovak Premier Adamec and Austrian Chancellor Vranitzky about the congress instead of going immediately to Moscow to give an explanation. It appears as if you have been avoiding the Soviet capital.

[Nemeth] No. I met Ryzhkov twice this year—once in Moscow, once in Bucharest at the Political Consultative Committee meeting of the Warsaw Pact. When I was in Moscow I had an approximately 2-hour conversation with Comrade Gorbachev. We agreed that I would visit Moscow for an official visit toward the end of the year.

[Presenter] Did you intitiate a visit after the congress?

[Nemeth] The times when we would decide something then rush to Moscow have gone for good. The Moscow leadership does not require this either. Gorbachev has spoken clearly in this respect. Every party and government must bear responsibility for their decisions in front of their own people. [passage omitted]

At the same time it is natural—since we said that the party is a left-wing party, which stands on the basis of social-democratic, socialist, and certain reform-communist values—that in accordance with this, we want to place our international relations on solid ground. Every country, in respect of its reforms, follows a different path because its history and traditions are different. It is a good thing that we now accept and promulgate the Hungarian model which goes back to Hungary's cultural and historical traditions. [passage omitted]

[Presenter] Are you very tired?

[Nemeth] This is not a question I usually ask myself. [passage omitted] I must say to you frankly that the tempo and the burden of work is so great that I feel tired despite the fact that I am only 41.

[Presenter] What about your personal fate? Carter went back to his peanut farm; Kissinger lectures at university. We know about your father having a vineyard. Will you possibly become a vine grower next year?

[Nemeth] Please, I shall be an entrepreneur with pleasure if needs be—I like the grapes very much. [passage omitted] However, it is premature to talk about this yet. If the people will honor us—the government or me personally—I would like to continue the road already begun. [passage omitted]

Left-Wing Socialist Section Formed Within HSP

LD1610204289 Budapest Domestic Service in Hungarian 1730 GMT 16 Oct 89

[Text] A section of left-wing socialists is being formed within the Hungarian Socialist Party. One of the organizers' leaders, Robert Hoch, calls on members of the ruling party who adopt the progressive social democratic and communist traditions, as well as the mentality of Marxism, to join. There is a place in the left-wing for those who disavow proletarian dictatorship, all types of Stalinism, and economic management based on the command system. At the same time, they are committed to reforms and democratic socialism, it can be read in the appeal of the Hungarian Socialist Workers Party [as heard] section called left-wing socialists.

Government Recommends Abolition of Workers Guard

LD1610193489 Budapest Domestic Service in Hungarian 1730 GMT 16 Oct 89

[Text] The government is recommending that the National Assembly abolish the Workers' Guard without legal succession. The draft relating to the amendment of the Defense Law will likewise be submitted to parliament; its essence is that anyone can apply to join the territorial defense force on a voluntary basis, in the form of unpaid work, as a reserve.

The government also proposes that a referendum be held about our country's future national day, and about whether the country's coat-of-arms should be the Kossuth coat-of-arms, or the traditional one with the crown on it, or the present one.

Sejm Committee Discusses German Issues

*LD1810045289 Warsaw PAP in English
2309 GMT 17 Oct 89*

[Text] Warsaw, Oct. 17—Bronislaw Geremek headed the debates of the Sejm Foreign Affairs Committee here today.

During the meeting, Poland's Foreign Minister Krzysztof Skubiszewski reviewed the current state of Polish-German relations that is both between Poland and the FRG and Poland and the GDR. Discussed was also the current state of negotiations between the governments.

Deputies and invited experts in German issues raised a number of problems. It was said that in the past, excessive significance used to be attached to the activities of the resettler groups in the FRG and to certain statements made by German politicians questioning the lasting character of Polish western borders.

Participants in the meeting pointed to the detrimental character of unclear comments made on the Polish western border by some FRG politicians. Discussed was also the future of the two German states in the context of overcoming divisions in Europe and the construction of European order. Stressed was the distinct character of this process from the matter of Polish borders which must be regarded as inviolable.

Answering deputies' questions, Skubiszewski said that although the German policy of the new Polish Government will largely be the continuation of the hitherto line still there will be some new elements in it which will come to the fore during the upcoming visit of FRG Chancellor Helmut Kohl in Poland.

Jaruzelski, Mazowiecki Congratulate Pope

*AU1810123189 Warsaw TRYBUNA LUDU
in Polish 16 Oct 89 p 2*

[Greetings telegram from President Wojciech Jaruzelski; Premier Tadeusz Mazowiecki; Sejm Marshal Mikolaj Kozakiewicz; and Senate Marshal Andrzej Stelmachowski to Pope John Paul II on the 11th anniversary of his pontificate]

[Text] His Holiness Pope John Paul II, the Vatican.

Your Holiness. The 11th anniversary of the commencement of your pontificate is an opportunity for us to convey to Your Holiness from the Polish people and from the authorities of the Polish People's Republic [PPR] warmest wishes of good health and all possible success.

We accord great respect and recognition to Your Holiness' noble activity to promote the development of individuals and societies, peaceful coexistence between peoples, and man's free, yet responsible, participation in social life.

We also appreciate Your Holiness' concern for the establishment of human rights in our fatherland, the consolidation of the nation's cultural identity, and fruitful dialogue between people.

Most respectfully yours: Wojciech Jaruzelski, president of the PPR; Tadeusz Mazowiecki, chairman of the Council of Ministers; Mikolaj Kozakiewicz, marshal of the Sejm; Andrzej Stelmachowski, marshal of the Senate.

Jaruzelski Receives Mazowiecki Before Rome Trip

*LD1810224289 Warsaw PAP in English
2001 GMT 18 Oct 89*

[Text] Warsaw, Oct. 18—President Wojciech Jaruzelski received here today Prime Minister Tadeusz Mazowiecki before the premier's official visit to Italy and the Vatican.

The two politicians discussed problems of Poland's foreign policy and the country's problems on which government activities are currently focussed.

Jaruzelski Sends Condolences on U.S. Earthquake

*LD1810215189 Warsaw Television Service
in Polish 1830 GMT 18 Oct 89*

[Text] Condolences are arriving in California from all over the world. President Wojciech Jaruzelski has sent words of sympathy to George Bush.

Mazowiecki Receives Iranian Deputy Premier

*LD1810124389 Tehran IRNA in English
1217 GMT 18 Oct 89*

[Text] Tehran, Oct. 18, IRNA—Iran and Poland will soon start negotiations on export of Iranian natural gas to the East European country, Polish Prime Minister Tadeusz Mazowiecki told Iranian Deputy Foreign Minister Mahmoud Vaezi, now in Warsaw on an official visit.

The Polish premier also expressed willingness to travel to Tehran in response to a visit to Warsaw last year by former Iranian Prime Minister Hoseyn Musavi.

Briefing Vaezi on the latest political developments in Poland and economic problems facing his country, Mazowiecki called for expansion of ties between Warsaw and Tehran.

Among other topics discussed by the two was the joint Irano-Polish Economic Commission to be held soon.

In the meantime, Polish Foreign Minister Krzysztof Skubiszewski in a meeting with Vaezi Wednesday said "Poland considers the 1975 accord between Iran and Iraq valid" and that "in Warsaw's opinion, international border between the two countries is unalterable."

The Polish foreign minister also voiced his country's full support for the implementation of the U.N. Resolution 598 seeking to make peace between Iran and Iraq.

He also accepted an invitation from his Iranian counterpart to pay a visit to Tehran early next year.

Jaruzelski Ratifies Various Foreign Agreements

LD1810053689 Warsaw PAP in English 2307 GMT 17 Oct 89

[Text] Warsaw, Oct. 17—Polish President Wojciech Jaruzelski ratified today an international convention and three agreements. These are:

—The European Cultural Convention prepared in Paris on Dec. 19, 1954,

—An agreement between the Polish People's Republic and the Kingdom of Sweden on legal assistance in criminal cases, drawn up in Warsaw on February 10, 1989,

—An agreement between the Polish People's Republic and the Republic of Iraq on legal assistance and law courts aid in civil and criminal cases, drawn up in Baghdad on Oct. 29, 1988,

—An agreement between the Polish People's Republic and the Government of the Republic of India and avoiding double taxation with regard to income taxes, drawn up in Warsaw on June 21, 1989.

PZPR Central Congress Commission Holds Session

LD1710114689 Warsaw PAP in English 0024 GMT 17 Oct 89

[Text] Warsaw, Oct. 16—The PUWP [Polish United Workers Party] Central Congress Commission had a session here today. The debates were held in two teams—programmatic and statutory-organizational which had been set up earlier.

The programmatic team, headed by Tadeusz Fiszbach, discussed draft programmatic declarations prepared by political movements and platforms, now emerging within the PUWP, such as the July Eighth Movement, the Polish Union of Socialist Left, proposed by the PUWP committee at the Polish Academy of Sciences (PAN), the Movement of Working People and other orientations. The team pondered whether to prepare one or several variants of draft programmatic documents for the 11th PUWP Congress.

Commenting on the course of debates, Fiszbach said that the PUWP program was being created at the grassroots level. It is too early to say whether one draft program will be worked out for the congress. We realize that we cannot formulate a closed program. Thinking about a new party, we want and should function in the system of socialist and social-democratic parties in Europe. Since such times are ahead of us, Fiszbach went on to say. This cannot be a program reaching only to a predictable future. That is why I am of the opinion that a good solution is the decision to present also a program of a future party, to be founded after the 11th Congress, Fiszbach stated.

The statutory-organizational team, headed by Aleksandr Kwasniewski, mainly discussed the procedure under which delegates should be named for the party congress.

We face a difficult task of specifying such a procedure which would meet the party's needs and also take into account technical potential, Kwasniewski told PAP. This potential is much limited as delegates should be elected till the end of this year. Another technical difficulty lies in making the elections direct, he continued.

So far we have discussed three solutions which have a common feature as they are completely new and have not been applied until now. This gives hope for a good selection of delegates but also poses threats as we lack experience in this respect, Kwasniewski stated.

I think that in a week our team will continue discussion and decide which variant to present to the PUWP Central Congress Commission, he told PAP.

PZPR Politburo Adopts Statement on Draft Law

LD1810053789 Warsaw PAP in English 2304 GMT 17 Oct 89

[Text] Warsaw, Oct. 17—The Political Bureau of the Polish United Workers' Party Central Commitee (PUWP CC) familiarized itself today with the course of a programmatic discussion preceding the 11th PUWP Congress and with the to-date work of the two teams of the congress commission.

Reports presented by representatives of different movements and discussion teams showed that an important progress has taken place in developing the leftist programmatic thought in Poland. The Political Bureau said that many plans were convergent and could become factors of building a new platform of party's unity.

The meeting adopted a statement in connection with the government-proposed draft law on changes in the organization and activity of co-operatives that may threaten the interests of the co-operative movement.

The Political Bureau familiarized itself with a report on a working visit to Moscow by PUWP CC First Secretary Mieczyslaw F. Rakowski and approved of its results.

The meeting welcomed with satisfaction the announcement of setting up an all-Soviet organization of USSR's citizens of Polish descent, founded on the basis of associations of Poles that operate in many Soviet republics. It deemed it necessary to maintain further close cooperation with those associations and to help them in their activities for preserving the Polish culture and language.

During the Moscow talks, the sides exchanged views on difficult and complex problems that are being solved in the two countries. Better mutual understanding should help intensify cooperation between the states. Recorded was a concordance of views on transformations and reforms in Poland and the USSR concordant and the CPSU's support for PUWP's policy.

In open and cordial talks, Mieczyslaw F. Rakowski and Mikhail Gorbachev confirmed the need to continue and enrich bilaterally beneficial inter-party cooperation in all fields.

PZPR '8 July Movement' Declaration Text

AU1610162989 Warsaw TRYBUNA LUDU in Polish 13 Oct 89 p 3

["Declaration of the 8 July Movement" adopted at a meeting held in Warsaw on 11 October]

[Text] Poland is seeking a new path for its development. The left also has to define a new path. The Polish United Workers Party [PZPR] has exhausted its capacity to effectively influence public life and the functioning of the state. It is time to make a choice: to choose between inertia and activity, neo-Stalinism and democratic socialism, a hopeless hastening toward the final demise of the party and the need to create a new party of the democratic left. The 11th Congress should therefore discontinue the activities of the PZPR and transform itself into a founding congress for a democratic socialist party.

The new party must emerge from a critical reassessment of the achievements of the Polish workers' movement and, in particular, of the legacy of the Polish Socialist Party; a legacy that has hitherto been overlooked. We appreciate those achievements of People's Poland that are great and valuable. This particularly applies to the postwar reconstruction of the country, the advancement of the popular masses, and ensuring peace for Poland and the security of its borders. In addition to rejecting Stalinist crimes, we also reject the insane dogmas and practices of so-called real socialism: one party hegemony, the undemocratic character of state institutions, and the failure to observe personal liberties and human rights. We must employ the ideas and experience of the democratic left to create a new form of Polish socialism that will measure up to current possibilities and needs. We want the new party to be a democratic party.

This means operating within a framework of parliamentary democracy and the firm rejection of so-called real socialism, that is, that power is exercised by virtue of a "historic mission" or the principle of the "dictatorship of the proletariat." We will defend our nascent parliamentary democracy against the forces of neo-Stalinist conservatism and against the forces of the militant anti-democratic right. We propose cooperating with all democratic forces, including "Solidarity," in this struggle.

We want the party to be a community of ideas that will group together people who hold different views, irrespective of where they come from. We want it to be a party that will defend the economic, political, and social interests of people who earn their living from their own work and a party that will consider the defense and development of human, civil rights and liberties to constitute its fundamental tasks. We have to break with collectivism as a concept that disregards the rights and status of the individual. The observance and development of civil and human rights are to be one of the new party's principal tasks. We are in favor of recognizing tolerance as a cardinal principle in public life. We also want to preserve the ideological neutrality of the state for this reason. The abolition of censorship should be one of the moves taken to strengthen freedom and democracy.

We want to employ principles of management that have proved themselves in other parts of world under Polish conditions. We are in favor of a market economy that combines efficiency with social responsibility on the part of the state and of forms of ownership that ensure that capital assets are used as efficiently as possible. The denationalization of the economy and the transition to private and group forms of ownership must proceed under public control and consideration must be given to the wishes and material interests of the work forces in enterprises that are privatized. Consideration must be shown for work forces' wishes to create enterprises run on the basis of self-management and to be involved in the joint management of other enterprises.

The party will cooperate with the self-management and trade union movements. However, it cannot give in before waves of popular feeling that can threaten the restructuring of the country's economic and political institutions.

The state should have a responsibility to mitigate disparities of wealth and to create appropriate conditions for social mobility, equality of opportunity, and social security.

The party will support all efforts designed to ensure that young people enjoy appropriate conditions for studying and working in Poland. The party will also expand cooperation and express solidarity with the women's, ecological, and peace movements.

The highest value for us is the sovereignty of the Polish nation and state, that is, the inalienable right to decide about our own affairs without outside interference. We consider the establishment of friendly relations with all Poland's neighbors to be one of the most valuable achievements of People's Poland. At the same time, we support the democratization of the Warsaw Pact and the modernization of CEMA so that they can never again become instruments permitting domination by those who are stronger and interference in the internal affairs of members states.

We feel that there are similarities between what is happening in our country and the political processes that are taking place in the USSR and in Hungary. The reformers in these states are our natural allies. Attempts to fuel anti-Soviet sentiments at a time when the Soviet Union is changing thanks to perestroyka are harmful to Polish interests. We welcome the establishment of the Hungarian Socialist Party with satisfaction and optimism.

Because many problems can only be solved by way of cooperation on the part of all of Europe, we are in favor of expanding all forms of cooperation with Europe: political, economic, cultural, and scientific. We see the future of Europe lying in moving closer together and in a sense of community. The elimination of the present division and the consequences of that division in the form of opposing military and political formations have to be sought through the expansion of cooperation. We are in favor of particularly close cooperation with the European left, including socialist and social democratic parties.

The road leading to a new party lies in the democratic preparation and conduct of the 11th PZPR Congress. Bureaucratic manipulations of the elections cannot be permitted on this occasion. The 8 July Movmement will put forward its candidates wherever it gains sufficient support from party members. We support direct, proportional representation elections, on the basis of programmatic platforms. We call on all advocates of reform to support these candidates.

We think that the statute of the new party should guarantee democratic and modern internal relations in the party and democratic and modern ways of running it. The new party must be a modern party. It must reject democratic centralism. Its program and policies must be verified at congresses that are held more often. It must ensure that the Deputies' Club has an important part to play in the party's ruling bodies and in influencing the party's policies. The yardstick of the party's strength will be its ability to win over the electorate.

We support membership of the party for all the people left, regardless of what religious or philosophical views they hold. We propose that consideration should be given to other forms of party membership.

We are proceeding toward the 11th Congress conscious of the sharp divisions that exist within the PZPR today. Unity is very valuable. It can be a source of party strength. However, it must be unity that is based on a community of fundamental ideological principles. We propose this kind of unity to all those who support democratic socialism and Poland' sovereign right to tread its own democratic path.

We are seeking to make the 11th Congress produce a party that will bring together people who earn a living through their own work, a party that is capable of operating in a parliamentary democracy, a Socialist Party of Poland.

Warsaw, 11 October 1989.

Reform Movement Postpones Party Conversion

AU1810123789 Warsaw TRYBUNA LUDU in Polish 16 Oct 89 p 3

[PAP report: " 'Progress and Democracy' Postpones Decision About Becoming A Party"]

[Text] "Despite material and organizational difficulties, our association is expanding. We have just opened a chapter in Plock," said Stanislaw Kuszewski, chairman of the "Progress and Democracy" Association, at a plenary meeting of this association in Warsaw on 14 October.

Jerzy Pyrgala, secretary of the PZPR [Polish United Workers Party] committee within the Polish Academy of Sciences, presented a concept for a movement that is meant to be an alternative to the 8 July Movement. The new movement, he said, would be modeled on the primary party organizations inside large industrial enterprises in Warsaw. This movement, too, would aim to convert the PZPR into a party with a clear left-wing program, while retaining PZPR traditions and preserving party discipline.

Persons who had attended an earlier meeting in Zagrzeb organized by the National Trade Union Confederation, which ended with the foundation of the Working People's Movement, reported on this meeting. It was decided that the "Progress and Democracy" Association should take an active part in the work of the Working People's Movement, which will permit, among other things, broader contacts with work places all overt the country.

In connection with suggestions from association members that the association should turn into a party in the near future, it was decided to postpone any decision on this matter until after the 11th PZPR Congress. This will enable association members who also belong to the PZPR to take part in the precongress campaign and whip up support for the association by publicizing its program. For the same reason, it was decided to postpone the association's extraordinary congress, originally scheduled for late autumn, until the end of February and beginning of March 1990.

PZPR Spokesman Calls for 'Social Agreement'

LD1910222489 Warsaw PAP in English 2143 GMT 19 Oct 89

["PUWP CC Spokesman's Statement: excerpts"—PAP headline]

[Text] Warsaw, Oct. 19—We note with concern that a number of important decisions undertaken or planned by the government are not consulted with social groups or their representatives concerned.

It is not enough to ease, or as the Presidium of the National Executive Commission of Solidarnosc put it at its meeting in Gdansk on October 17 "to limit the negative consequences of dimissals from work."

It stems from this that so important concepts of the free market in the economy, privatization of national assets, unemployment, replacing the state's social policy with the charity of the rich—cannot be implemented without social approval, without the consent of working people and an agreement signed by them.

That is why the leadership of the Polish Workers United Party took interest in the proposal of the trade unions from the National Trade Union Confederation [OPZZ] expressed in the resolution of the OPZZ Council on October 5 aimed at bringing about agreement between the authorities and society on these crucial matters and gaining agreement between various social groups.

A new social agreement to be reached through a "round table" seating the government and representatives of the working people is therefore called for.

PZPR Spokesman Criticizes Media Reporting

LD1810212289 Warsaw PAP in English 1416 GMT 18 Oct 89

[Text] Warsaw, Oct. 18—Spokesman for the PUWP [Polish United Workers' Party] Central Committee Jan Bisztyga sent to PAP the following statement:

"The mass media, including television and press widely informed society about the conflict at the agricultural combine in Goldap. The activity of deputy, PUWP member and director of the combine Tomasz Romanczuk was shown in a negative light. Apart from control carried by the NIK Supreme Board of control, the social concern is stirred up by the partial way of informing about the activity of the Polish Sejm deputy:

—Views and opinions of only one side of the conflict were presented,

—The deputy's arguments and views were ignored.

The above is a confirmation of the ever more frequent practices in the information policy.

In conflict situations which are purposedly given an extraordinary significance in the mass media, such practice of making it impossible to present arguments of the other side, is a threat to the process of agreement and collaboration of various political and social forces in Poland. [no closing quotation mark received]

Officer Supports Party Presence in Army

AU1810142089 Warsaw GAZETA WYBORCZA in Polish 13-15 Oct 89 pp 4, 5

[Interview with General of Division Jan Wojtala, deputy chief of the General Staff, by Jerzy Modlinger and Wlodzimierz Slowinski: "I Shall Not Be Found Wanting, Compared To Those Officers"—date and place not given]

[Text] [Question] The economy will decide Poland's fate. There are countries that earn a great deal from the arms trade.

[Wojtala] There is no more lucrative export than that of the arms trade. We have turned "our own weapons" against ourselves by surrounding this area with strict secrecy. For example, we have a long tradition in tank manufacture. Of course we could adapt the factory in Laby to manufacture refrigerators, but these refrigerators would not be very good. Does it not make more sense to export good tanks and for the money purchase good refrigerators?

[Question] Who will buy our tanks?

[Wojtala] There are countries that are still interested in purchasing.

[Question] For hard currency?

[Wojtala] If we sell a tank to the Soviet Union for hard currency, then it follows that we shall have to purchase aircraft for hard currency. Recently in Paris, a MiG-29 had a price tag of $20 million.

[Question] But you will not be able to find buyers for everything, and the new military doctrine will cause a drop off in the requirement for typically military production.

[Wojtala] Precisely, and what are we to do with the modern production line manufacturing ammunition? A more pressing problem, however, is the need to keep some sort of backup. We are now seeing the retirement of specialists who have been there even from the prewar period. One assumes that there will not be a war, but we have to be ready to suddenly increase production from one month to the next. In order to remain viable, the ammunition factory in Skarzysko can increase its prices, but will the Army be able to afford it?

[Question] Perhaps it will be able to afford it after the cutbacks in the enormous number of 347,000 servicemen?

[Wojtala] Enormous number? This figure represents 0.9 percent of the population. In France and the FRG, this figure exceeds 1 percent. This does not, of course, mean that we are not reducing the numbers of the Army. Recently, 64 units were disbanded. By the end of this year the total figure will fall to 310,000 men.

[Question] Is the size of the armed forces our sovereign decision, or does is it depend on our commitments to the Warsaw Pact?

[Wojtala] It is our sovereign decision. We are, however, subject to ongoing commitments which stem from the protocols which are signed every 5 years. These protocols contain provisions that are very flexible, and the new military doctrine allows us to cut back.

[Question] A television program recently showed Premier Tadeusz Mazowiecki visiting an army unit in Wesola. We saw a large hall, a television set, and shelves stacked full of books. Is this a unit that is used for show?

[Wojtala] The 1st Mechanized Regiment is a unit that has a tradition of distinguished service. There are better and there are worse units. One can still find units that have bunk beds and one television set...

[Question] ...Units where the division into "rookies" and "the old guard" still prevails.

[Wojtala] We have no idea where this bad tradition comes from.

[Question] Perhaps this tradition is convenient for the officer cadres?

[Wojtala] I promise to buy you a large drink if you can show me an officer who is prepared to tolerate such customs. We have tried various methods, for example, forming companies from the same conscription year, and selecting officer candidates from their own companies. This phenomenon is also partly a result of the relaxation in discipline.

[Question] The officer class is to a large extent penetrated by the party....

[Wojtala] Does it do any harm? The fact that I am a party member does not make me blinkered to other points of view.

[Question] If the officers are permitted to belong to different parties, how do you see yourself cooperating with a general who belongs to the Confederation for an Independent Poland?

[Wojtala] That will depend on how good an officer he is.

[Question] The history of the Polish Army is also linked to the 1968 invasion of Czechoslovakia. The conscript of today, who was born then, may wish to ask his commanding officers about the significance of this date. What will their reply be?

[Wojtala] I think the reply will be in accordance with the officer's own feelings on the matter, and in accordance with the historical and political assessments.

[Question] What would your reply be?

[Wojtala] That is a personal matter.

[Question] Were you in Czechoslovakia?

[Wojtala] No, but had I received such an order, I would have gone.

[Question] It is said that the imposition of martial law saved Poland from an invasion of 13 Soviet, 3 Czechoslovak, and 1 GDR divisions.

[Wojtala] The minister of national defense has already exxpressed a view on this matter in the Sejm, and I have nothing more to add.

[Question] How would the Polish Army have reacted to an invasion? Would it have done as the Czechoslovak Army did in 1968, or would it have resisted?

[Wojtala] One can speculate endlessly; but thankfully, martial law removed this question.

[Question] In 1918 the Polish Army was built up very rapidly, and the core of its officer cadre was composed of officers who had served in the armies of the partitioning powers. Soon after 1918 these people gave ample proof of their immense patriotism.

[Wojtala] Our officers are also patriots. I love my country, and if ever the need arises, I shall not be found wanting compared to the officers of those bygone days.

Solidarity Farmers Appeal for Grain Loan

LD1810231789 Warsaw Television Service in Polish 1830 GMT 18 OCT 89

[Text] The Solidarity Interim National Council of Private Farmers has appealed for a grain loan to be provided to Tadeusz Mazowiecki's government. [as heard] Such a loan, according to the council, would help to overcome the crisis and at the same time would protect farmers from the effects of inflation.

KPN Group Continues PRON Sit-In on Day 6

LD1810220289 Warsaw Television Service in Polish 1830 GMT 18 Oct 89

[Text] Members of the Confederation for an Independent Poland [KPN] have continued their sit-in at the Patriotic Movement for National Rebirth [PRON] city board headquarters in Katowice for 6 days now. They are demanding their own headquarters. The building also houses the Department of Physical Culture and Sport and the Education Department. The latter was to take over the rooms belonging formerly to the PRON. The employees are not being allowed into the building to work.

The mayor of Katowice said that he could find some office for the KPN which, however, would have to be rented.

KKW Discusses Unemployment, Pensions, Benefits

LD1710215689 Warsaw Television Service in Poland 1830 GMT 17 Oct 89

[Text] The Solidarity National Executive Committee [KKW] has met in Gdansk.

[Begin recording] [Piotr Nowina-Konopka, Lech Walesa's spokesman] Tomorrow's press will give you the full communique. However, I would like to draw attention to just three points of that meeting. The issue of unemployment was today the object of the attention of colleagues from the presidia. It was agreed that we would work toward coming to an agreement with the government that would guarantee the government and administration would take up means that would at least minimalize the effects of unemployment on Poland.

We also discussed social benefits. The union's negotiating group has been authorized to hold talks with the government. Moreover, it is to come out in favor of a system of revalorizing pensions and annuity payments of people having low and middle level pensions, and simultaneously, to reject the principle creating the maximum ceiling of these benefits. Finally, the last matter I would like to draw your attention to is the entire broad range of social benefits, in relation to those groups of people who are in the worst situation, who are the most impoverished, who are going to feel particularly strongly the costs of the reforms being carried out in Poland. We have also taken certain steps here. The KKW Presidium has recommended the negotiating group that is going to talk to the government to pay special attention to that matter because of it is of particular interest for the union. [end recording]

Mazowiecki Meets With Cardinal Glemp 18 Oct

LD1810232189 Warsaw PAP in English
2137 GMT 18 Oct 89

[Text] Warsaw, Oct. 18—Poland's primate Cardinal Jozef Glemp met with Prime Minister Tadeusz Mazowiecki today.

The premier told the primate about his planned visits to the pope and to Italy and on scheduled meetings with representatives of economic and political life.

The primate shared the prime minister's trust that the concerted effort of all society was a guarantee of coming to grips with the difficulties.

Internal Ministry Aktiv Confers 16-17 Oct

LD1810132189 Warsaw PAP in English
1124 GMT 18 Oct 89

[Text] Warsaw, Oct. 18—The activ of the Internal Ministry met here on October 16 and 17 under the chairmanship of the Ministry's head, Vice-Premier Czeslaw Kiszczak.

The participants discussed structural and organizational changes in the Ministry and tasks it should fulfill in the present socio-political situation, in a pluralist country of parliamentary democracy.

Official Comments on Local Self-Government

PM1910154589 Warsaw POLITYKA
in Polish 7 Oct 89 p 5

[Interview with Minister Jerzy Regulski, government plenipotentiary for the reform of local self-government, by POLITYKA correspondent Leszek Czajor; date, place not given]

[Text] [Czajor] In my library at home I found two booklets published in the twenties on the structure and the range of competence of the self-government apparatus. A closer look at them revealed that they dealt with the involvement of self-government structures of the day in the process of "unification" of Polish territories returned from the control of the three partitioning powers. Further relevant legislation was introduced in the thirties. Is it possible to make use of some of the experience of those interwar years today? Could the prewar model of local self-government provide at least some general guidelines for a system we want to create now?

[Regulski] Your booklets constitute a good example of the way in which self-government is related to historical circumstances and how it develops in keeping with the historical process. On regaining its independence in 1918, Poland inherited three different political regimes from the three occupying powers. Of these, the tsarist regime allowed no room for any form of self-government whatever. Municipalities and parishes were administered by government officials. Incidentally, let me add a small but historically relevant comment here: The Soviet Union did not create any self-government structures either, and the abolition of the self-government system in Poland after World War II was predominantly an attempt to copy the Soviet regime.

However, let us return to Poland's rebirth as a state after its occupation by the partitioning powers ended as a result of World War I. The structure and practical implementation of the self-government system were slightly different in each of the three postpartition zones and this state of affairs persisted for a dozen or so years after the war. It was not until the early thirties that the introduction of a uniform system was completed, as it was impossible to get it done overnight. We would do well to remember this today, for we are not going to introduce the reform of self-government structures overnight, either. It will have to take several years.

Should we, in fact, be drawing on the prewar experience? Of course. We can and we should. Before the war we had a well developed self-government system at the municipal and parish level and a system of self-government arrangements at the district level. The latter involved an overlapping of district self-government apparatus and state administration apparatus, the latter represented by a starosta. We are modeling our system on that arrangement to a certain extent. For example, one option proposes that, at the voivodship level, the voivoda—a government official—should be additionally controlled by a council representing local interests.

[Czajor] Several decades have passed since the abolition of local self-government structures. There are few people around who can remember those days, and yet the popular desire to have the self-government system restored is becoming increasingly widespread. Is this only because it would offer us a chance to eradicate all vestiges of the unhappy postwar practice?

[Regulski] I should like to point out that self-government structures existed in Poland not only in the interwar period. Self-government was practiced in the Prussian occupation sector, and the history of self-government structures in municipalities and parishes goes back to the middle ages. In the era of the nobility's rule in Poland self-government structures did not develop because the system of serfdom limited peasants' rights. But the tradition of municipal self-government goes back several hundred years. Here the continuity was only broken for a mere 50 years. I believe that the tradition is still alive in our collective memory and we should not turn away from it.

[Czajor] Could you give us a brief definition of local self-government?

[Regulski] Of course. Self-government is a statutory association which brings together the residents of a given locality and provides them with an organized system designed to help them attain their common goals through their own effort.

[Czajor] What should self-government be like?

[Regulski] First and foremost it should be genuine. This means that municipal and parish councils should stand as true representatives of the local population instead of acting as local bodies of central state authorities, as has been the case until now. Naturally, this also precludes their subordination to some other councils of a higher rank. Self-government councils should be elected according to democratic procedures, and their executive bodies should remain under their exclusive control. This is to prevent situations in which a local authority chief executive officer is answerable to a voivoda. Self-government must retain full autonomy in relation to the state authorities. The state's job will be to define the legislative norms underpinning the activity of self-government structures and, in certain areas, to assess their compliance with the law. In addition, self-government structures must have their own assets and operate a stable financial system based on independent sources and enjoying a legally guaranteed freedom to use their money as they see fit.

[Czajor] What obstacles prevent an implementation of such a system?

[Regulski] There are several. The first of these is what I would call a psychological barrier. This used to be based on the principle of the uniform nature of the government apparatus, which empowered higher ranking councils to interfere directly with the rights and competence of lower-rank councils. But this can now be regarded as a thing of the past. The second barrier was a consequence of the manner in which the Polish United Workers Party used to exercise its power. The popular aphorism which claimed that in any municipal or parish council the secretary was the one who ruled and the chief executive officer the one who was answerable is a very close reflection of the truth. But the person who rules should never be exempt from public control. The third barrier is the authorities' fear of democracy. I think this one is becoming a thing of the past too. Another obstacle is the hegemony of administration. And the last one is the so-called mafia system, which is going to be very difficult to break up. The people who have set it up and who run it do not like to be controlled in any way. But they should be controlled, and they will be controlled.

[Czajor] What is the way to achieve full self-government?

[Regulski] The whole process will take place on two planes. The first will involve changes in the system. I am thinking mainly of legislative changes whose objective will be to abolish the present act on people's councils and local self-government and replace it with a comprehensive act regulating the principal elements of the parish administration structure. Work on this project should continue until the end of the year. It is essential to prepare the bills and pass the acts on communal property, financial management of parishes, and state administration. It will be especially important to take a closer look at the distribution of areas of competence between state and local administration. Finally, it will be necessary to implement many organizational measures.

[Czajor] But even the most democratically elected municipal or parish self-government body will be unable to do anything without adequate financial means at its disposal.

[Regulski] As I said earlier, financial management is a very important matter. The question is where to find the money. The principal source of revenue will be taxation. But we should not count on all municipalities and parishes being financially self-sufficient. So we must think about the introduction of the so-called compensatory subsidies. The idea is to level out the differences resulting from geographic location, climate, degree of urban development, and so on—but this must be based on objective criteria. These subsidies should be remitted directly to the municipal and parish authorities.

[Czajor] What about autonomy at voivodship level?

[Regulski] This is a separate issue. At the moment conditions in Poland do not favor autonomy at voivodship level. This is why we believe that the structure of voivodship administration should be different from that of municipal and parish administration. A voivoda should remain a government representative and act on the government's behalf in matters concerning public finance. Before we introduce financial autonomy in voivodships, that is, grant them the status of legal person and the right to own assets, it will be necessary to revise the country's system of administrative division, which is unsatisfactory. This cannot be done quickly. And if voivodships are granted the right to own assets before it is done, the faulty division system will be reinforced.

[Czajor] It is impossible not to ask: When will elections to local self-government be held?

[Regulski] There are 2,500 municipalities and parishes in Poland. We have to get the self-government movement going in them all. It will be necessary to elect 110,000 councillors. To begin with, finding so many candidates is no easy task. Of course, first and foremost we will have to repeal the act on local self-government. We are entering an era of change in the state system. The struggle for Poland's future will be decided at parish and municipal levels. This is why I believe that we should not hold the elections before or after next year's summer vacation.

[Czajor] We are discussing all this during a meeting of representatives of several dozen regional citizens' committees in Konin. Professor, what are your impressions of the meeting? Do you think that these future self-government activists are aware of what their work will involve? Do they know what shape the self-government movement should assume? Are they adequately prepared for it? How much more preparation and training do they need?

[Regulski] First of all we must recognize and give credit to the enormous enthusiasm and authentic public need. The movement is developing and spreading throughout the whole country. It is spontaneous and universal. It arises from real needs of the people. This is why it is authentic. And that is its principal strength. How well do these people know what their work will involve? I do not think they know it all that well, since they have no models to follow. Are they prepared? They are, to a certain extent. For example, in some parishes they have been taking part as observers in regular sessions of peoples' councils and in this way they have become acquainted with the whole range of problems typical of their regions. Such experiments should be made on a wider scale. It is necessary to set the democratization process in motion. We cannot expect the self-government system we are about to set up to be perfect. It never is to begin with. It will evolve as we go, depending on the needs of the given moment. At the same time, public awareness must evolve and develop in line with the self-government system.

[Czajor] Professor, in your capacity as government plenipotentiary for local self-government matters, do you intend to press for educating the public in preparation for the introduction of self-government structures? You will be assuming the office in just 2 days' time.

[Regulski] It is the task of citizens' committees to support self-government structures. My brief, on the other hand, falls within the competence of the government and entails representing the government in all our dealings with the Sejm and the Senate to do with the preparation of new parliamentary acts concerning the self-government system. Another area of our duties involves the preparation of enacting clauses appendant to the new acts. Yet another task entails enfranchisement of municipal and parish administration, that is, granting them the right to own and dispose of their own assets. However, at the same time the government should retain the right to monitor and supervise the use of these assets, as this falls within the competence of a number of ministries.

After I have resigned from the office of chairman of the Senate Commission for Self-Government Matters, I will be eligible to be called before the Sejm or the Senate to provide explanations, on behalf of the government, as to why self-government affairs in reality look very different from what parliamentarians imagine them to be.

[Czajor] Thank you for talking to us.

Economics Minister on Restructuring Subsidies

AU1810084589 Vienna DIE PRESSE in German 16 Oct 89 p 8

[Unidentified interview with Economics Minister Tadeusz Syryjczyk: "Syryjczyk Wants World Market Prices for Energy Sector"; date and place not given]

[Text] DIE PRESSE: During the debate about Poland's budget deficit, it was pointed out that the subsidies are higher than the additional national debt. A large part of the two thousand billion zlotys (some 3.5 billion schillings) are used to subsidize coal mining and the generation of energy. This leads to a more serious contamination of the environment and to higher inflation. How do you want to tackle these problems as the minister responsible for industry?

Tadeusz Syryjczyk: The subsidies for coal mining in Poland result from the difference between world market prices and the dollar exchange rate for the zloty that is determined by the National Bank on the one hand and the fixed prices for coal determined by the Finance Ministry. Unless the price problem is solved and unless we determine the speed of the price increases for energy, we will not be able to solve the problem concerning subsidies for coal mining and will thus not be able to restructure this sphere. The key to this is of course in the hands of the entire government.

DIE PRESSE: The Sachs plan (named after a U.S. economic adviser), which is currently under heated discussion, suggests abolishing all subsidies, with the exception of subsidies in the housing sector—while at the same time introducing the convertibility of the zloty. Do you think that it is politically possible to realize such a concept?

Syryjczyk: Price increases, as proposed by Sachs in his program, would represent a heavy blow for us. On the other hand, playing for time does not get us anywhere either. It is a question of selecting a method. This must, of course, be decided by the whole government.

DIE PRESSE: What is your opinion?

Syryjczyk: Our prices must become comparable with world market prices, and the price proportions in the country must correspond to this. Energy sources and raw materials must become more expensive so that we do not have to force the population with administrative measures to save energy. This is quite an absurd situation: On the one hand we subsidize coal mining and electricity, thus signalling that coal is cheap and can be used in unlimited quantities, and on the other we try, through administrative measures, to force enterprises to save energy.

DIE PRESSE: However, the introduction of market mechanisms in the energy sector can also lead to the bankruptcy of some metallurgical works, mines, and power plants.

Syryjczyk: This is not quite clear at the moment because introducing convertibility would result in soaring prices, so that enterprises would become more efficient for a while. After some time, however, if wage increases and increases in prices for other goods follow, it will be seen whether these enterprises are actually viable. But I do not think that this is topical at the moment.

DIE PRESSE: The Rakowski government wanted to introduce the market economy by means of administrative measures.

Syryjczyk: I do not rule that out. One can say that in order to introduce market mechanisms inefficient potentials must be released first. However, to measure inefficiency, market mechanisms are needed. This vicious circle must somehow be broken. Measures that benefit the economy certainly include the closure of unprofitable enterprises, and I do not rule out that decisions will become necessary because of environmental reasons or that methods are used that cannot be justified from the standpoint of the market economy. I am aware that this, of course, may appear like voluntarism.

DIE PRESSE: Your ministry is currently preparing a new bankruptcy law.

Syryjczyk: We want to tighten the criteria for bankruptcy. We want to introduce the basic principle of insolvency. The current definition is much more liberal and makes it virtually impossible for the enterprises to go bankrupt.

DIE PRESSE: Many enterprises do not pay their taxes and other liabilities because it is not worthwhile. Given the current inflation rate, they see their debts as cheap credits.

Syryjczyk: We have noticed this phenomenon, but not to the degree that is generally assumed. However, the Sejm has not agreed to force the enterprises to pay taxes afterwards. Also, people often forget that the tax burden is not very evenly distributed. If they do not pay their taxes, private enterprises risk having their private property that is not linked with production confiscated, whereas state enterprises do not even have to fear that we will block their accounts. For this reason, we also want to unify the system of tax recovery.

DIE PRESSE: As the minister responsible for industry, you must concern yourself with the privatization of state-owned enterprises. Various forms are under discussion, from the complete handover of the capital to the employees to the free issuance of stock, which should make possible the quick establishment of a capital market. What form do you favor?

Syryjczyk: Private ownership is certainly better than the administration of enterprises. In my view, changes must be carried out in a way that ensures the quick establishment of a capital market with a free movement of capital on the one hand and which guarantees the preferential treatment of employees in the purchase of stock on the other. We must find a compromise between self- management and the wishes of the employees concerning participation in the working capital, and the claim that the assets of an enterprise must not be distributed freely.

Sejm Examines Indexation Law Amendments 20 Oct

LD1910133789 Warsaw Domestic Service
in Polish 1300 GMT 19 Oct 89

[Text] The Sejm Presidium has decided to hold a meeting of the Sejm tomorrow, 20 October, at 1300, in order to examine amendments introduced by the Senate to the Law on Indexation.

'Ursus' Tractor Plant Announces Price Hikes

LD1610211989 Warsaw Television Service
in Polish 1830 GMT 16 Oct 89

[Text] Beginning today, "Ursus" tractors will cost more. A C-337 tractor now costs Z6.5 million; and an MF 255-03B costs Z10 million. Ursus Mechanical Plant justifies these decisions by the increase in prices of raw and other materials, salaries, and tariffs.

Options for Reforming TV Management Viewed

PM1710121789 Warsaw POLITYKA
in Polish 16 Sep 89 p 16

[Krzysztof Teodor Toeplitz article: "Black Thoughts on Television"]

[Text] To judge by the several remarks so far made by the premier, and also by the declarations issued by the Episcopate, all of which stressed the significance of the mass media, radio and television can soon be expected to become the subject of political bargaining as well as the scene of personnel and other changes. There is nothing surprising in this. When, during a debate in the relevant roundtable subcommission, I said that "television is an instrument of government," my view was criticized by members of the then opposition. Nevertheless, it is true. It is not only the content and the message carried by the medium but also its very model as an institution that reflects the system of government obtaining in the country. Thus it will be perfectly natural for the new government to want to mold and fashion it according to its own ideas. This principle is well understood by the employees of the institution in Woronicza Street. Some of them have already packed their suitcases in anticipation of having to move out, and others are hurriedly rearranging their offices, sticking Solidarity posters to the walls and hanging up devotional pictures.

In all this turmoil it would not be amiss to recall several simple truths which may come in handy for anyone preparing to take control of our television or rearrange it along new principles. The first truth concerns the technical condition of the institution of Polish Television. Surveyed from the outside, it seems to be a highly attractive toy. After all, its programs are transmitted daily and are watched by millions of viewers. From the inside, however, seen through the eyes of the people employed there or, like the writer, associated with it for almost 30 years, it presents a truly sorry sight. Studios, technical equipment, editing suites, even the transmitter antenna installed at the top of the Palace of Culture, which may come tumbling down any moment—all these present a dismal picture of advanced dilapidation and disrepair. Polish Television has recently purchased some new equipment, several cameras and outside broadcast units, but this is all a drop in the bucket compared to the actual needs, while the working conditions in which television employees—especially the technical personnel—are expected to carry out their jobs are an outrage against all concepts of modern technology and working environment. In fact, the argument over Polish television which has raged for some time now resembles a children's backyard fight over a teddy bear: The children do not realize that the bear is going to fall apart any minute now, paws dropping off and sawdust spilling, and they will be left with only its torn and useless body on their hands.

Of course, the children's pulling and tugging accelerates the bear's demise. Television was for very many years regarded as the instrument of domination on the information market and hardly anyone bothered about its technical requirements. For very many years also there was a persistent shortage of funds available for this purpose, especially as most of the funds required would have to involve convertible currencies. The latest major investment outlays on television were made in the era of Gierek and Sz czepanski [head of Radio and Television Committee until August 1980]. Now, experts maintain, the first practical steps toward restoring television to a healthier condition should be to close down at least some part of its program, call a conference of specialists at the patient's bedside, and subject the patient to a comprehensive and vigorous rejuvenation regime. Who will be bold enough to risk taking such steps?

Of course, the organization system of Polish television needs changing also, as does its position and role in the public life of the country. Until now television has been an instrument under the command of one single center of political control, that is, the party—albeit with some variations and adjustments reflecting minor changes in political orientation. Now all government declarations speak of a pluralist model of television reflecting all viewpoints. The same stipulation was recently expressed in the declaration of the nonparliamentary political parties, from the Confederation for Independent Poland to the Polish Socialist Party. It is also generally agreed—as Premier Mazowiecki has pointed out—that television should be a "public service institution" similar to the BBC in Britain.

This idea is both valid and deserving of support. The only question is how to put in into practice. Well, the model—or the method whereby the application of this objective can be attained—put forward by the then opposition during the roundtable talks was to fragment television into a number of independent "slots" for the use of various political orientations. One such slot which already exists is the Solidarity program, which was created as a result of the roundtable talks. Another one will be the planned program of Catholic broadcasts—and so on, and so forth. Given the complexity of our political life it is easy to visualize at least a dozen or so similar slots, "rented" by a variety of organizations and groups fully entitled to use them.

I have always thought this idea a guaranteed recipe for disaster. The results so far of the "independent slots" policy seem to corroborate my opinion. In my argument against the scheme I ventured to call this idea of fragmenting television into separate, independent slots "schizoid television," for which I was sharply criticized by the then roundtable negotiator and now premier, Mr Mazowiecki, who saw me as an enemy of pluralism. This was understandable, since at that time the opposition did not realize that it would soon come into power and it wanted to capture all the independent bridgeheads which were not controlled by the Radio and Television Committee.

Today, however, at a time when the roundtable agreements are no longer binding—even though we are still very proud of them, irrespective of the fact that their political relevance lasted only 6 months and their economic content was dismissed by economic experts as unrealistic virtually the day after they were signed—we can talk about these issues in a much calmer atmosphere.

Of the several models of a pluralist television system the Italian model is the most radical and at the same time the worst. It is based on the principle of individual political parties having control over individual channels. This model, which in effect offers contradictory and tendentious information on all channels and causes a deterioration of the general cultural, educational, or generally artistic quality of all programs—this is a standard complaint of Italian viewers—is, however, tolerable in a situation where there are several parallel broadcasting channels. In Poland, however, we have just two channels and although they are both still broadcasting, their existing production facilities and resources are being ruinously exploited and almost exhausted, as I said before. I would not exclude the possibility that we could soon be forced to close down one channel temporarily. Fragmenting the present two channels into the required number of "slots," or individual programs in the control of different supervising and programming authorities, would in effect signify an end to a cohesive programming policy which provides a more or less balanced stream of news, information, culture, entertainment, educational and other programs. It would be precisely the kind of schizophrenic "personality split" I have warned against before.

Other models of pluralist television, such as the aforementioned British system or the new model currently being set up in France, are in my opinion based on the much more sensible principle of subjecting the whole of the television industry to pluralist supervision and programming controls rather than fragmenting its actual programs into a network of separate and mutually independent "allocations." In this way an appropriate body, the Board of Governors, runs the BBC, and in this way also the new system will operate in France, where they have just appointed an authoritative, high-powered body whose nine members will control the entire information dissemination network. That body, composed of professional experts, academics, producers, and journalists who inspire political confidence—but not politicians as such—appears, oddly enough, to have been tailor-made to suit our own requirements, since three of its members are appointed by the president, another three by the speaker of the National Assembly and the last three by the speaker of the Senate. How the French anticipated the configuration of our political forces in Poland is a mystery I am unable to fathom.

In any case, however, the guiding principle of these pluralist arrangements is that they transfer pluralistic political control beyond and above, as it were, the actual mechanism of running the television network itself. The day-to-day operations of running the whole system are controlled by teams of skilled, professional, and efficient managers while their work is controlled and programmed by pluralist political bodies. Thus pluralism does not consist in a multitude of parallel, independent slots in the program, each with a different message, but in the fact that all programs, whether news, current affairs, or cultural, contain an overview of all the options and opinions and provide a meeting ground for people subscribing to a variety of views. This is, in practical terms, the way in which television operates as a public service institution in Great Britain, and it is also the essence of the pluralism of the American and West European television networks. It is simply the only rational solution which can guarantee that a logical and rationally planned pluralistic program will be conscientiously implemented under the supervision of an appropriate controlling body—the latter styled on the French commission or on some other model, including even a parliamentary commission, since the organizational pattern is in fact not so very important and can be settled according to the requirements of the situation.

I think that, given the present circumstances in Poland, unless we make up our minds to move the mechanisms of pluralistic political control of television "outside" the actual institution—as I have suggested here—we are bound to come up against one other concrete problem in our attempts to "naturalize" the seed of political and organizational pluralism inside the existing television structures. I do not for a moment imagine either the main core of the present government or the parties allied with Solidarity agreeing to give up their share in running the institutions of radio and television in Poland. As I said earlier, the toy still looks very attractive, especially to the uninitiated, and the appetites are very large. Let us imagine, then, that in addition to the Radio and Television Committee chairman, two deputy chairmen are appointed, one from the United Peasant Party and the other from the Democratic Party, according to the coalition "distribution key." Well, the present structure of the Radio and Television Committee gives one deputy chairman control over television and the other control over radio. What influence over television can then be guaranteed to the party which has been given control of radio programs according to the distribution key? And how much say will the "television" deputy chairman have in radio affairs? What can he win for "his people" and how will he explain himself to his taskmasters? Of course we could change the existing structure. Whichever way we do it, to bring party interests into the day-to-day practice of running radio and television programs can only be detrimental to the quality of these programs. Administration of television and radio—especially when they are in their present, catastrophic state—must be entrusted to a well integrated, professional, and mutually loyal team of experts rather than a random group of people committed to representing the individual interests of political groups and parties.

Finally, we have no guns. Apart from everything else, television has no money: Not only does it have no hard currency, it does not even have any ordinary Polish zlotys. The costs of television production are rising with inflation. It has been estimated that, in order to be financially self-sufficient, Polish Television should increase its license fee to some Z3,000 per month. It is of course perfectly possible to increase the fee thus; it would be much more difficult to enforce payment, since, to be quite frank, neither our radio nor television has the necessary monitoring apparatus to ascertain who pays the fee and who does not. In practice it is all paid from the state budget—which is, of course, empty.

Consequently, such matters as extrabudgetary sources of financing our television, its accountability to the Treasury, and the ways in which it can earn and manage hard currencies will all sooner or later have to be put on the agenda and looked into very carefully. It would still be preferable for them to be put on the agenda of the "medical consultation" than on the political bargaining table. For we must remember that, when all is said and done, television, this "public service institution," is an asset belonging to us all.

Health Specialist Calls for Calm on AIDS

AU1610135589 Warsaw GAZETA WYBORCZA in Polish 11 Oct 89 p 3

[Jacek Fronczak article: "AIDS—The Most Terrifying is the Epidemic of Fear"]

[Text] "Katarzyna Nazarewicz (ZYCIE WARSZAWY, 1 October 1989) calls for AIDS virus carriers not to be admitted to maternity wards, and making them use individual buckets instead of communal toilets in hospitals. Teresa Bochwic (TYGODNIK SOLIDARNOSC, 6 October 1989) writes: 'The underwear, bedclothes, and utensils used by AIDS patients are all contaminated.' Both authors rely on information that has not been substantiated. It is in all our interest to learn the proper approach to carriers and patients, and not to spread hysteria."

Those are the words of Professor Andrzej Stapinski, director of the Venereological Institute of the Medical Academy in Warsaw and member of the AIDS Council at the Ministry of Health and Social Welfare. "AIDS carries four types of danger: First, the virus epidemic; second, the fact that there is no cure for the disease; third, the epidemic of fear it spreads; and fourth, the discrimination against those who have become infected. The last two currently pose the biggest threat to Poland.

"Looking at the extent of the spread of the virus, we are about 4 years behind Western Europe in this respect, and Europe is about 4 years behind the United States. Thanks to this, we can benefit from Western experience: from the information, the new medicines, and the methods of treating the disease.

"The Venereological Institute does free testing for antibodies on a purely voluntary basis. The person being tested can preserve total anonymity. There are about 200 people per month who come to be tested. I am absolutely certain that as from autumn 1987 no laboratory has ever had a shortage of test materials. Our detection rate is improving. Some eight new laboratories were opened last year.

"The virus spreads through blood. In Poland, there is a legally binding obligation to test all blood that is destined for transfusion, or other preparations. The possibility of the epidemic spreading this way has now been virtually eliminated. In the West AIDS patients and carriers are never treated in isolation. They are treated in normal public hospitals. They are operated on by the normal surgeons. Only women who give birth are isolated. These procedures were decided on by medical specialists, and not government administrators.

"The normal protective steps and the usual sterilization of equipment in hospital when dealing with patients, as, for example, those suffering from hepatitis, are more than sufficient to kill off the HIV virus. That is why Doctor Tarkowski from the Department of Sanitary Standards maintains that one can apply the same steps with AIDS patients as one does with patients who have viral infections of the liver.

"The HIV virus has poor resistance to external conditions. It perishes in temperatures of 60 degrees centigrade. The saliva and tears may contain traces of the virus, but only in amounts that are too insignificant to cause infection.

"It is impossible to become infected by looking, shaking hands, or by the communal use of cutlery or crockery. One cannot become infected by coughs or sneezes, or by sharing the bathroom, toilet, or swimming pool."

According to Professor Stapinski, the solution of the AIDS problem will come through improvements in work conditions and better technical equipment of hospitals. In the West, all patients are treated as potential carriers. There is a need for the most basic form of protection (gloves, masks, disposable equipment) which in the outside world is applied where there is contact with patients who are not infected with HIV.

"The only section in Poland that specializes in this disease is led by Doctor Babiuch, and is to be found at the Hospital for Infectious Diseases (Number 1) in Warsaw. It has been functioning without interruption for about 4 years, and is expanding. Each of the 5 hospital wards has a toilet and washroom. There is only one shower-room, but the hepatitis patients also have only one shower-room," stresses Professor Stapinski.

"We receive patients from all over Poland," says Doctor Babiuch. "I have a full nursing and ancillary staff on each ward who work with great devotion. Admittedly, there were problems with doctors but we have new applicants now. This section (presently with 20 beds for AIDS patients) has had a total of 22 patients, 10 of whom have died. We also had to perform two births in improvised conditions and the two babies were sound and healthy. The improvised operating theater is only a temporary measure."

Professor Sicinska-Kuczynska, national consultant for childbirth says: "Instead of grumbling at the lack of means, we have to organize this equipment ourselves. The maternity hospitals are losing their staff, and this must be a warning bell telling us that things are not what they should be. We must explain to these people that their fears are irrational. Who will be left to help these poor people? We are a health service and we all took the Hippocratic oath.

"We cannot allow discrimination against these patients. From there it is only a short step to the ghettos and isolation camps. This is the route Cuba has chosen. Only in Cuba and Bulgaria is there an obligation to test all pregnant women. We have always considered Poland to be a civilized country, and civilized countries have learned to live with AIDS patients on completely different principles."

Leaders' Public Appearances for 4-10 Oct

AU1710151689

[Editorial report] Warsaw TRYBUNA LUDU in Polish monitored from 5 through 11 October reports the following appearances of Polish leaders (date and page of each report given in parentheses):

Mieczyslaw F. Rakowski, first secretary of the Polish United Workers Party (PZPR) Central Committee, received a delegation from the PZPR Factory Committee at the Transportation Equipment Plant in Mielec on 10 October. (11 Oct 89 p 2)

Leszek Miller, PZPR Politburo member and Central Committee secretary, met party members in Piotrkow Trybunalski and Belchatow to discuss the outcome of the 15th PZPR Central Committee Plenum on 4 October. (5 Oct 89 p 2) He attended a voivodship party committee plenum in Walbrzych on 5 October. (6 Oct 89 p 2) He attended a Katowice voivodship party committee plenum in Katowice on 10 October. (11 Oct 89 p 2)

Marek Holdakowski, PZPR Politburo candidate member and first secretary of the Gdansk PZPR Voivodship Committee, attended a meeting of the Gdansk Voivodship PZPR Congress Commission held in Gdansk on 6 October. (7-8 Oct 89 pp 1, 2)

Marian Stepien, PZPR Central Committee secretary, attended a plenum of the Krakow party committee in Krakow on 6 October. (7-8 Oct 89 p 2)

Slawomir Wiatr, PZPR Central Committee secretary, attended a meeting of PZPR College Committee first secretaries in Gdansk on 7 October. (10 Oct 89 p 2)

Ceausescu Sends Condolences on U.S. Earthquake

AU1910200689 Bucharest AGERPRES in English 1932 GMT 19 Oct 89

["Telegram of Compassion"—AGERPRES headline]

[Text] Bucharest AGERPRES, 19/10/1989—President Nicolae Ceausescu of Romania sent a telegram to President George Bush of the United States of America which reads:

On behalf of the Romanian people and on my own behalf, I convey you and the American people our deep compassion for the casualties caused by the earthquake of 17 October 1989.

We extend sincere condolences to the bereaved families.

Andrei Receives Albanian Food Industry Minister

AU1710204789 Bucharest AGERPRES in English 1914 GMT 17 Oct 89

["Talks on Romanian-Albanian Economic Cooperation"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 17/10/1989—Stefan Andrei, Romanian deputy prime minister, had an interview on Tuesday with Jovan Bardhi, minister of food industry of the People's Socialist Republic of Albania, who is paying a visit to Romania to attend the 15th "TIB" [Bucharest International Fair] edition. During the interview, aspects were examined of the development of Romanian- Albanian economic cooperation.

The interview was attended by Piro Vito, ambassador of the People's Socialist Republic of Albania in Bucharest.

Andrei Receives Zairian Trade Official

AU1710204489 Bucharest AGERPRES in English 1854 GMT 17 Oct 89

["Romanian-Zairean Economic Talks"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 17/10/1989—On October 17 Romanian Deputy Prime Minister Stefan Andrei met with Nzamba Mwana Kalemba, state commissioner for foreign trade of the Repubic of Zaire, now visiting Romania at the invitation of the Ministry of Foreign Trade and International Economic Cooperation.

The sides looked into the stage attained in the implementaion of the understandings reached at summit level in point of expanding and diversifying the Romanian-Zairean commercial exchanges, and the prospects of development of bilateral cooperation in sectors of joint interest.

The Zairean guest also talked with Ioan Ungur, minister of foreign trade and international economic cooperation, and with foreign minister Ioan Totu.

RCP CC Executive Political Committee Meets

Plan Failings Noted

AU1210191889 Bucharest AGERPRES in English 1847 GMT 12 Oct 89

["Meeting of the Executive Political Committee of the CC of the RCP"—AGERPRES headline]

[Text] Bucharest, AGERPRES 12/10/1989—Gathered on October 12 under the chairmanship of Nicolae Ceausescu, general secretary of the Romanian Communist Party (RCP), the Executive Political Committee of the CC [Central Committee] of the RCP examined a report on the fulfillment of the plan for the first decade [10-day period] of October as concerns industrial production, exports and investment, as well as measures to integrally fulfill the plan provisions for October and the fourth trimester of 1989.

The data set forth on the occasion showed that a number of fine results had been scored over the same period last year. All this notwithstanding however, achievements in a number of areas and sectors of activity were below plan tasks.

The party general secretary, Nicolae Ceausescu, requested the government, the ministries, the industrial central departments and the enterprises to work in all firmness for a thorough organization of production and work with a view to making up for arrears and fulfill all plan provisions in fine conditions, more particularly those referring to the production intended for export. Nicolae Ceausescu showed that all conditions were in place to have more substantial growth in all areas of industrial activity.

Ceausescu Speech

AU1210194689 Bucharest AGERPRES in English 1900 GMT 12 Oct 89

["President Nicolae Ceausescu Speech at the Meeting of the Executive Political Committee of the CC of the RCP"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 12/10/1989—Taking the floor at the end of the meeting of the Executive Political Committee, President Nicolae Ceausescu showed that "our international activity should be intensified more and our collaboration with both the socialist countries and the other states of the world should be further strengthened."

"We are firm on the positions of scientific, revolutionary socialism," the RCP [Romanian Communist Party] general secretary said, "for the safeguarding of socialism which is built in the specific conditions in each country. We have criticized 'models' for a long time and we removed them, which does not mean renouncing socialism, quite on the contrary, it means a firm application of socialist principles.

"No socialist country has to copy capitalism now. First of all because these countries had it and they know what it means. We do not need unemployed and poor people because this is not how we are to become a civilized country. It is not with unemployed and poor people that an advance to civilization can be achieved. Technical progress cannot be made by splitting up large socialist enterprises in hundreds upon thousands of small units. Like split would take the perspective countries hundreds of years back. [sentence as received] Technical progress is made with the help of the large industry. The fact is known that the large industry has provided for the appropriate application of the organization of production and work, of science. Socialism should remove the capitalist property, the capitalist-type distribution and the inequalities in society and it should not destroy the large industry. On the contrary, it should consolidate and develop it.

"That is why we must firmly adopt—and we adopted it—the line towards the development of socialism, the implementation of our programmes, as well as the strengthening of international solidarity and collaboration. We must take active part in the strengthening of collaboration and solidarity—which should be one of the permanent concerns in our activity.

"We must be firm against any interference of the imperialist circles in the socialist or other countries, against their interference in the developing countries, against their actions against the revolutionary movement. As a matter of fact, by working in this way, we will put the best conditions in place for a continuous expansion of our international relations and exchanges.

"Naturally, we wish to develop relations with all the countries, with the capitalist countries too, on the principles of equality and mutual advantage. As a matter of fact we consider that our firm position in defence of socialism does not mean a renunciation of the policy of broad international collaboration, on the contrary it should intensify that collaboration, rejecting any conditions, surrender or concessions that are detrimental to socialism, to the country's independence and sovereignty".

"These are some of the conclusions drawn from all the meetings and talks I had with other delegates in Berlin and with various personalities who visited our country", President Nicolae Ceausescu said concluding his speech.

Visits Endorsed

AU1210210989 Bucharest AGERPRES in English 2025 GMT 12 Oct 89

["Satisfaction at the Development of Relations With the People's Republic of China and the Democratic People's Republic of Korea"—AGERPRES headline]

[Text] Bucharest AGERPRES 12/10/1989—The Executive Political Committee was informed in its 12 October meeting about the visit of a Romanian Communist Party delegation to the People's Republic of China and to the Democratic People's Republic of Korea.

The Executive Political Committee was particularly appreciative of the stand of the Chinese Communist Party and of the Korean Workers' Party, of the People's Republic of China and of the Democratic People's Republic of Korea on questions of socialist construction, of defending and developing the principles of scientific socialism, as well as on current questions of the international life, of ensuring progress and peace in the world.

The Executive Political Committee expressed satisfaction at the continuous development of the relations of close friendship and cooperation between the RCP [Romanian Communist Party] and the parties of the two countries, between the Romanian people and the Chinese and the Korean peoples, to which the top-level meetings, talks and understandings, between Comrade Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, and the party and state leaders of the People's Republic of China and the Democratic People's Republic of Korea, made a decisive contribution.

Berlin Talks Highly Valued

AU1210204689 Bucharest AGERPRES in English 1915 GMT 12 Oct 89

["High Appreciation of President Nicolae Ceausescu's Meetings a Talks in Berlin"—AGERPRES headline]

[Text] Bucharest AGERPRES 12/10/1989—During the 12 October meeting, President Nicolae Ceausescu informed the Executive Political Committee of the CC [Central Committee] of the RCP [Romanian Communist Party] on his participation in the celebrations in Berlin that marked the 40th creation anniversary of the German Democratic Republic, on the meetings and talks he had on the occasion.

The party general secretary and the Executive Political Committee were highly appreciative of the way in which the celebrations that marked forty years since the foundation of the German Democratic Republic proceeded, of the achievements scored by the people of the GDR, under the leadership of the Socialist Unity Party of Germany, in socialist construction, in the economic and social development of the country, of its firm policy in the fight for the development of the cooperation of socialist countries, for disarmament, progress and peace in the world. Appreciation was voiced of the principled, clear stand of the Socialist Unity Party of Germany in defence of socialism and its development, against the revanchist policy of the reactionary circles in the Federal Republic of Germany, against any interference in the internal affairs of states.

The Executive Political Committee stressed that Nicolae Ceausescu's participation in the festivities in Berlin, the meeting and talks with Erich Honecker, general secrerary of the Central Committee of the Socialist Unity Party of

Germany, chairman of the Council of State of the German Democratic Republic, highlighted the relations of lasting friendship and multilateral cooperation between the two parties, countries and peoples. The fact was emphasized that the two party and state leaders expressed on that occasion too the joint wish to raise the (?relations) of cooperation between the Socialist Republic of Romania and the German Democratic Republic onto a higher level in the political, economic, technical, scientific and other areas, so that they assert themselves ever more strongly as an example of productive cooperation between socialist countries engaged with all their forces in the building of the new system.

Reiterating the stand of the Romanian party and state, the Executive Political Committee firmly condemned the hostile manifestations and the interference of the reactionary circles in the FRG in the domestic affairs of the German Democratic Republic which fully run counter to the Helsinki documents, to the norms of international law and the provisions of the UN Charter. Such manifestations, which remind of the cold war period, can in no way serve the development of the cooperation between the two German States, in Europe and the world over.

The Executive Political Committee expressed the full solidarity of the Romanian party and people with the party and people of the German Democratic Republic, in the fight for socialism, for peace, understanding and broad international cooperation.

The Executive Political Committee also underscored the particular importance of the meetings and talks Nicolae Ceausescu had with Todor Zhivkov, general secretary of the Central Committee of the Bulgarian Communist Party, president of the State Council of the People's Republic of Bulgaria, and with Nguyen Van Linh, general secretary of the Central Committee of the Communist Party of Vietnam. During those meetings, the joint determination was expressed to impart ever broader dimensions and an ever richer content to the bilateral relations of close friendship and cooperation, in the spirit and on the basis of the understandings covenanted at top level, to mutual interest, in the interest of the general cause of socialism, cooperation and peace.

The Executive Political Committee was also appreciative of the fruitful character of the talks Nicolae Ceausescu had in Berlin with 'Ali Salim al-Bid, Secretary-general of the Central Committee of the Yemen Socialist Party, which highlighted the possibilities of developing the relations between the two parties, between Romania and the People's Democratic Republic of Yemen, in the economic, technical and scientific domains, on stable and long-term bases.

The Executive Political Committee emphasized the profound significance of the exchange of opinions Nicolae Ceausescu had with the party and state leaders of those countries on current aspects of the world life, of the international Communist and Worker Movement. Stress was laid on the great importance of the conclusion reached jointly during the talks on the need to strengthen the cooperation and solidarity of the socialist countries, of the Communist and Worker Parties, of the revolutionary, progressive forces everywhere, take firm stands of resolute rejection of the actions and attempts of imperialist circles of destabilizing the situation in socialist countries and other states of the world, of undermining the achievements of socialism and socialism in general, of promoting their policy of domination and oppression, of interference in the domestic affairs and violation of peoples' independence and sovereignty. It was stressed that, starting from this assessment, emphasis was placed on the importance of intensifying contacts and consultations among Communist and Worker Parties of socialist countries, to the end of debating the problems of developing socialism in the current stage, of firmly applying the principles of scientific socialism to the concrete conditions in each country of ensuring the peace, progress and independence of all peoples. Likewise, the determination of the Romanian party and state was reasserted to strengthen cooperation in the world arena, to make its active contribution to the unflinching implementation of the policy of disarmament and detente, of international peace and cooperation.

Approving the understandings and conclusions reached during those meetings, the Executive Political Committee recommended that all measures be taken for the ever more sustained development of the friendly cooperation between Romania and the respective countries.

Army Paper Version of Markovic Assembly Speech

AU1210155889 Belgrade NARODNA ARMIJA in Serbo-Croatian 5 Oct 89 pp 7-10

[Speech by Ante Markovic, president of the Federal Executive Council, at a joint session of the chambers of the SFRY Assembly in Belgrade on 29 September: highlighted passages provide fills to and reveal variations of Belgrade Domestic Service version of speech published in 3 October East Europe Daily Report]

[Text] President, Comrade delegates: As we all know, we have been in a deep crisis for several years. After long hesitation, we have finally realized that the causes of our crisis are multifaceted and we cannot get out of the crisis by patching up the system. It is necessary for us to create a new economically efficient and democratic society and construct a quite new type of socialism. It is not possible to secure such a society and such development without a thorough reform of the economic system, which will ensure economic efficiency, and of the political system, which should provide political democracy with the individual at its center.

These are two sides of the same coin without which it is not possible to resolve the problems that have amassed in our society, provide modern development, and successfully join international trends. But the construction of such a society and such socialism requires us to rid ourselves of old misconceptions and doctrinaire views, which is something that is still not going easily.

Proceeding from these three accepted strategic reform orientations, the Federal Executive Council has worked along three lines in parallel: on the construction of a new economic system, on the planning and implementation of current economic policy measures; and on the formulation of a new concept of development strategy. In this respect, we have come up against numerous difficulties and burdens from the past, with all the political conditions and ambience in which this is all taking place and in which, **as you know,** on the one hand, social tensions are increasing and, on the other, they are being politicized; political conflicts and national, interrepublic, and nationalistic ones are increasing. I would say that there is almost no field in which there is nothing negative in the sense of the prerequisites for all the things that must happen as major changes in our society.

In such conditions, it is of course exceptionally difficult and complex—with all the limits that such an ambience brings and with all the burdens, ranging from those concerning the ideology in people's heads and even to material ones—to make the turn-around that we have embarked on.

The FEC has taken an orientation to enter the fight in all fields simultaneously, at the same time, and through combining systemic short-term and long-term measures and macroeconomic and developmental policies, anticipating in this respect some solutions that are yet to come, to create systemic and material conditions to plan and implement economic reform and find the way out of the crisis. This way out of the crisis, as every citizen nowadays knows, can be neither quick nor easy. The price of this way out is very high and it must be paid.

Comrades, since at this session we are talking about one stage of the reform of our society, its second stage, particularly in the field of the economy as a part of the process of the entire changes and formation of a new system, allow me first of all to point out the problems of the transfer to a market economy; what is necessary for this, what has been done, and what more in our opinion should be done in order to round off the system specific to such an economy.

The character of the new system will be decided by changes on five points; the pluralism of ownership and the relations that are constructed on it, the position of enterprises in the conditions of pluralism of ownership and an integrated market, entrepreneurship, the separation of politics and economics, and the state in the role of the regulator of economic trends through a macroeconomic management of the economy. In addition to the economic system, of decisive importance is an active economic policy which protects the independence of the enterprises of an integrated market and through its macroeconomic decisions aids the creation of an ambience in which economic entities are forced and urged to make rational, business, and developmental decisions in conditions of competition.

We have already gone a large part of the way in planning the legal form of the new economic system. Pluralism of ownership has been incorporated in the law even though there are still some open questions on the actual owners [titulari] of social property and economic responsibility for its use, as well as the transformation of ownership into other forms of ownership, about which more will be said later. An institutional basis has been created for the legal and economic setting up of enterprises in the field of production, trade, and monetary transactions.

Opportunities have been created for different forms of organizing appropriate to the interests of **particular** economic entities and the nature of their business activities. The way to mixed ownership has been opened up, as well as the new way of management based on this. The function of management has been divorced from the function of administration. Opportunities have been created for various types of enterpreneurship. The equal treatment of foreigners is being introduced into the system. The artificial border between the economic and noneconomic fields are being wiped away. In a market economy, the role of monetary authorities, the banking system, and financial and fiscal system is of decisive importance for the success of business operations, the evaluation of results, and the economic accountability of enterprises.

A consistent basis has been constructed in these fields for the successful redirecting of enterprises to market operations. Laws are to be found in the SFRY Assembly which regulate the essence of economic relations with foreign countries, foreign currency operations, and foreign trade operations, except for credit relations with foreign countries on which intensive work is being prepared. The Assembly has also been presented with six laws on the market of money and capital, on securities, on labor relations—which was adopted only yesterday—on prices, on commodity reserves, and their financing, which regulate the other questions of an integrated market, like goods, capital, and labor in all its segments and creates the framework and backbone for its establishment and construction.

It is essential that all these laws are adopted at this session in order to begin the process of the functioning of the capital market, the labor market, and the real commodities market. This also creates systemic prerequisites for the next stage of the reform of our society, for the transition to the new system itself and the functioning of all its institutions and mechanisms, and the adaptation of all entities to the new elements that this system requires and imposes.

A real realization of the process of change is beginning, which will open the way not only for the way out of the crisis and the crushing of inflation as the expression of this crisis, but also for the new development **of an economically more efficient and a** politically more democratic society in which we have the right to live better, richer, and freer.

We must, however, be aware that the way to this is full of obstacles, difficulties, and problems. Many sacrifices will have to be made for us to rid ourselves of **pressures,** burdens, habits, the remnants of the old, the readiness to give privileges, laziness, irresponsibility, failed programs, a return to the past, irrational ideas, and unrealistic promises. We must all be engaged in all sectors, at all levels, and in all places in embarking on decisive changes as soon as possible in all sectors of life and work in our country by using the new systemic solutions. For example, the new setting up of enterprises is not just **changing their nature.** They should be adapted to the new conditions in all segments, their programs, products, technologies, organization, renumeration, and entrepreneurship and should eliminate mistakes, deficits, losses, and surpluses of goods, material, and even some labor.

This is a difficult process, which is all the harder because in the course of its realization one has also to overcome inflation, which is threatening to halt hthe course of the reform processes. As a consequence, very complex processes and difficult tasks lie ahead of us.

First: the construction of new market institutions and mechanisms.

Second: the identification and elimination of serious material inheritances, which are concentrated in the large deficits of the state, banks, and a part of the economy and in certain parts of the country.

Third: the adaptation to the new conditions by all entities, enterprises, banks, shops, and the social sector of the state, at all levels from the communes, in particular, to the federation.

Fourth: cadre changes and the strengthening of people's motivation, competition, knowledge, ability, results, innovation, risks, and the identification of and distinguishing between the capable and the incompetent, workers and nonworkers, fighters for actual changes and politickers who want to build their own power on social problems and tensions and maintain their privileges.

Five: the reform of the state, especially the federal state, so that it can conduct a macroeconomic policy that will place stress on monetary and fiscal policy, as well as the policy concerning the economic policy with other countries, so that it can strengthen its legal function in the direction of the further broadening of human freedoms under the conditions of the new system.

Six: Development on the essentially new bases, with the stress on changes in the economic structure, on an economically efficient and capable structure for joining the world economic contest. This kind of development is the only realistic precondition for solving the accumulated social problems. Without these preconditions and changes, as well as the process which we must embark on, the economy will not be able to adapt to the real market way of conducting economic activities, and the economic policy will not be able to fully apply all the new methods of regulating economic trends.

Comrades, bearing in mind what I have already said, I will present the basic stances of the Federal Executive Council regarding all domains of the economic system and economic policy so that in this light you can assess the justification and validity of the proposed measures, as well as those that will follow.

First: I will proceed from the most delicate problem of how to regulate labor relations in our country so that we can arrive at a modern and specific labor market, so that we can resolve the essential problems of how to value work and the results of work objectively, and how to regulate these relations so as to uphold the right of the workers to self-management and reaffirm self- management in a new ambience.

We have created opportunities for the functioning of a labor market, just as we have very consistently created opportunities for the founding of the capital market. These changes ensure in a new way a unified way of regulating the realization of basic workers' rights. They establish the obligation to train and advance, ensure manpower mobility, competition in knowledge and ability, and remuneration of work, and they exclude any monopoly on a work place, whose stability is conditional upon the results of work.

These changes give greater powers to the management structure as well as greater accountability for managing the firms. They facilitate the development of entrepreneurship, create the preconditions for dealing with the problems of workers who have lost their jobs due to economic and technological improvements, and so forth.

The Law on Labor Relations, which was adopted yesterday, envisages collective agreements in the branches of the economy in which the price of labor for certain types of jobs will be agreed. This will avoid the current arbitrariness in distributing income and determining the workers' personal income. The successful application of these collective agreements requires the existence of partners that agree, on the one hand, on protecting jobs and, on the other, on the accumulation of capital. In the final negotiations, these partners must consist of the reorganized trade unions and management organs, **organized in their** associations in the reorganized chamber of economy.

We are talking about agreements between the partners to the accords within the limits of material possibilities, which will be determined by the market on the basis of objectively opposed interests. What should be consumed from the newly created value today, and what should be left for development, for the future? This job must be started with determination at once.

In the transitional period, before there is a labor market and collective agreements, which we need to introduce as soon as possible, the Federal Executive Council has decided to insist on the consistent application of social agreements on the distribution of income, true as part of the consensus economy, because this is all that we have at present, and on respecting the criteria and parameters that have been envisaged by this.

In doing so, the proposals made that, through the expansion of the starting **values, certain drawbacks should be eliminated which have given greater rights to an increase in personal incomes than the achieved results could objectively allow. The demand that the basis for redistributing personal incomes be the achieved results (properly calculated and presented)** is logical and in accordance with the essence of the system which we are developing. In doing so we also bore in mind the fact that the presented proposals should erect a barrier to unreasonable increases in personal incomes, that is, the proposals that in insolvent [nelikvidan] organizations the paying out of personal incomes, except those that are guaranteed, will be the last item on the list; that the current practice of providing loans to insolvent organizations to pay out personal incomes will be prevented; that the paying out of personal incomes will be done once a month; that there will be a firm monetary policy which will particularly affect work organizations with bad economic results and which, despite such results, have been increasing personal incomes more often and by more than those who have been operating successfully. The Federal Executive Council will promptly monitor all the trends and react accordingly.

Second: The next field is the financial system. The Federal Executive Council has paid particular attention to the regulation of the situation in the monetary sphere and for this purpose it has taken a number of measures. Above all, the institutional foundation has been created for setting up the National Bank of Yugoslavia—which constitutes the backbone of this system—as a proper monetary authority, and for establishing its full autonomy. Conditions have been created for an efficient performance of its function as well.

Banks are set up as any other enterprise that operates on the economic principles of profitability, solvency, security, and making a profit. Bills have been proposed that would set up a money, capital, and securities market. In this way conditions have been created so that business operations in this entire field will be based on market machinery. This is the basis on which the discount rate of the National Bank and the interest rates for short-term and long-term loans, as well as the exchange rate of the dinar, will be formed.

For this financial and banking system it is now important that all those who trade in goods and capital strictly and promptly fulfill their commitments and that they bear all the inevitable economic and other consequences if they fail to do so. The Federal Executive Council therefore insists that all the payment instruments which make irregular operations possible and prolong the present situation should be abolished.

Following an analysis it has been established that great disorder prevails in the monetary sphere, and that the National Bank of Yugoslavia under the given circumstances cannot efficiently manage the monetary aggregates. The expansive monetary policy has therefore been one of the basic generators of inflation for many years. Therefore the changes in this field must begin with the National Bank because it is far from being able to perform its proper function, precisely because of the situation in the economy and in the commercial banks. It has been the practice of many years that budgets are covered with the issue of money and that the National Bank is given responsibilities that do not belong to a monetary institution. The habit of using an expansive monetary policy to postpone the solving of the real problems of economic and state finances is another reason.

These changes of the position and function of the National Bank are under way, and they must be completed as soon as possible. The National Bank will no longer help the budgets in the present way; it will cease to take up—in place of the federation—debts, foreign exchange losses, and all other obligations that are not a part of its business; stop approving selective loans for various branches of the economy and various purposes; supplying the dinar funds as a counterpart to the surplus on the clearing account; advancing loans to the banks although these fail to collect their claims, and so on.

All the preparations have been completed so that, as soon as the laws are adopted—which means in October this year—a market for money, capital, and security will be set up. This market will make it possible to overcome the present practice of an arbitrary formation of the rates of interest and of the discount rate policy of the National Bank of Yugoslavia.

The level of the real rate of interest which often exceeds 20 percent is more a result of the banks striving to cover the losses on their accounts than **a result of market conditions.** It is therefore essential that, in keeping with the legal obligations, by the end of the year all banks prepare their accounts and that they determine the true value of their overall assets, so that the problem of the bank deficit should be tackled in the way it is usually done in a market economy, with the cooperation of interested domestic and foreign partners and of the state **to the extent possible.**

With this aim in mind, we will strive to obtain foreign financial aid of **at least** $1 billion to make good the deficit in the banking system. This aid should be used under strictly defined economic criteria that would be slightly relaxed for the banks in the underdeveloped socialist republics and the Socialist Autonomous Province of Kosovo, and should entail the consequences implied by such an intervention. This is the way to make banking sound.

Third: Great changes are ahead of us in the sphere of state finances and the fiscal system. The starting principles of sound state finances are that all public expenditure in all budgets and accounts of self-managing interest communities should be covered by real revenue, and that the budget is a single entity.

Consistent with this view, the Federal Executive Council has already competed this first task, or rather, at its proposal, the SFRY Assembly has adopted a single budget at the federal level. In this way the expenditure in the federal budget has been considerably reduced and the efficiency of the use of the budget funds has been essentially increased, and this contributes to the stabilization of the economy.

However, not all the republics and provinces have yet acted in this sense, and the communes have not acted at all. I consider it essential that they do so as soon as possible.

We are now confronted with the task of solving the very difficult problem of the inherited budget deficits of all the sociopolitical communities and in the accounts of the self-managing interest communities, especially in the federation and the National Bank. These deficits must be fully cleared up and settled. Speaking about the federal budget, all the deficits covered by National Bank loans, which in fact means by printing money, must be converted into a federal state debt for a fixed period of years. Agreed interest will be paid on this debt from the federal budget every year, so that in the future, the federation will have to resort to its own revenue and to borrowing when it wants money, like anybody else, and will bear the obligation to regularly service its debt and handle its own securities. This is the only way to **establish the principle of thrift and full responsibility in handling money.**

Other sociopolitical communities should act in the same way, and must clearly indicate how, from which sources, and within which time they will liquidate **all their** deficits.

The fiscal sphere is closely linked with this. In this sphere, a system still prevails that does not favor the attainment of any of the three goals of fiscal policy—the economic, the social, and the fiscal goals. The change in this system must be thorough. One must not tax the factors of production but really created income. Taxes must not have the role of **anticipating** the costs and of providing revenue to any budget before new value, and profit based on it, are created.

When an enterprise or an individual creates income, the tax liability will depend on the use or purpose to which this income is put. The taxation policy will favor savings and accumulation **and development.** This means that fiscal policy is an important part of economic and development policy, and thus also of fiscal policy in the narrow sense of the term, because the growth of income and its rapid increase make **a growth of revenue** possible. This also applies to the fiscal policy obligations in the domain of resolving certain questions of social policy and alleviating social tension. This, then, is a very sensitive instrument that has multiple consequences for the development of the economy and society.

We are only at the beginning of **establishing** such a system that will be based on the aforementioned principles. In this respect, we—as a federation and country which has determined relations in social services in a way that is totally different from the hitherto familiar practice, through self-managing interest communities and contributions which rest on the so-called free exchange of labor—have the obligation to successfully complete two basic tasks. First, which of the functions in the fiscal system, that is to say which of its fiscal functions, will be retained by the federation? Second, how to integrate contributions for social activities in the overall taxation system?

With regard to the first question, it will be easier for us to come to an agreement if we proceed from several premises. This involves a fiscal system of the economy with an integrated market, a federation which treats the fiscal system and policy only as a part of the macroeconomic management of the economy under market conditions and which is open to the world. In other words, it has only those rights in determining these relations as are able to ensure the necessary coordination of monetary fiscal policy and foreign economic policy. These relations are objectively given and without even a single one of these parts, the federation is not capable of providing equal and general conditions, competition, and a common economic policy. Everything else falls under the jurisdiction of republics, provinces, and communes and they are fully autonomous in this respect.

Certain republics have already approached reform of relations in the social sector but I think that a joint concept is lacking as regards the way to finance these activities and the way of integrating contributions into an overall taxation system. Therefore it is essential that, **with the help of scientists and experts,** all republics and provinces **perceive and establish the situation in this sector and formulate essential proposals** by the end of the year.

The Federal Executive Council is prepared to **participate** in this and help in an expert search for the appropriate solutions. A law is being prepared on social activities which will regulate the establishment, organization, and financing of social activities. In the meantime, it is important that, until such a fiscal system is established, revenue [Markovic corrects himself] a law on the foundations of the taxation system and the two agreements on the taxation system and taxation policy which are before the SFRY Assembly are adopted in order to regulate relations in this field in the best possible way in the given circumstances.

Finally, the Federal Executive Council is insisting on the proposals that the period in which taxes and contributions are payable be shortened, as this is an essential condition for the federal budget and all other budgets to be separated from the National Bank, so that no deficits or readjustments arise, which always shake both the economy and all other activities; and that the rates of taxes and contributions for financing social activities should not be increased. Without this, one cannot prevent the taxes and contributions in the sphere of social financing from effecting an increase in inflation and particularly an increase in inflationary expectations.

Fourth: in the prices policy, the Federal Executive Council has followed the logic of market business operations. Our orientation toward the free formation of prices has been implemented almost fully. In parallel with this, the process of the liberalization of imports is running its course, which is only the other side of the coin of creating conditions for a normal market of commodities and healthy competition. The free formation of prices has occurred under conditions of deficits and losses in the economy, banking, and budgets, disturbed real price relations because of many years of administrative regulation of prices, the unfavorable structure of the economy, and the **and the net outflow of money to other countries.**

In such a situation, all the concealed and suppressed disproportions and imbalances have been clearly reflected in the market. Enterprises have tried to quickly improve their economic position through the free setting of prices and to correct unfavorable relations in prices. In this respect, in the existing conditions it has not been possible to prevent the escalation of prices and the indexation of all factors of production. However, it is indisputable that one had to embark on this process so that enterprises independently set prices, and disparities in price relations are eliminated through the market, because if these disparities were to continue, any move to stabilize the economy and surmount the **permanent** pressures on price increases would be blocked.

It is true that a high price was paid for this in the increase in inflation, but price relations have been essentially corrected and are no longer a great hindrance to the successful outcome of the macroeconomic measures that the Federal Executive Council is now proposing.

However, we are still facing difficult problems in the sphere of the market and prices. Because the economy has been a closed economy for a long time, and because of the segmentation of the market, monopolistic and oligopolistic behavior has come to prominence, and during the height of the consensus economy in which there was no **real** influence from foreign and domestic markets, groups and other associations of producers in the economy used to make agreements on prices of a pronouncedly cartel type.

With all its economic measures, the Federal Executive Council has decided to energetically stop this practice by exposing economic entities to foreign competition, applying antimonopolistic measures known in the **practice** of the market economy, and using commodity and financial reserves.

Another major obstacle to the normal functioning of the market is the state of our trade. This branch has been economically degraded for a long time. At present it is simply an agent of economic enterprises, possessing little capital of its own, insufficiently interested in the flow of trade and greater competition. We need able and penetrating trading firms, domestic, private, social, mixed, foreign firms that will successfully overcome all restrictions and constraints through the logic of cheaper goods and greater earnings, and in this way exert increasingly greater influence on production and its structure, changing [Markovic corrects himself] mixing the trade and production capital of different forms of ownership.

We also proposed the policy of commodity reserves, which is adapted to the market economy way of conducting economic affairs.

In addition to all this, as world experience demonstrates, the free price setting on the market cannot be a solution to the infrastructural or other activities that are of of general interest. A certain involvement of society in this is inevitable. However, this does not change our general stand that these activities must have an equal position with other activities, and that they should use economic criteria **to the extent possible,** as well as other means to ensure their equal economic position.

By using the common elements to set prices in all activities we have considerably reduced the differences in relative prices, although some serious consequences of an arbitrary application of the common elements and their monopoly position have emerged.

On the basis of examining our experience to date, we have provided the bases for the price policy in these spheres.

Fifth: In the domain of economic relations with other countries, which are the most vulnerable part at a time of high indebtedness and high inflation, the conditions have been created—under the influence of the measures undertaken to relieve the economy, liberalize imports, and use foreign exchange and the policy of insolvency [stecaj]—to make these relations perform a major positive role in stabilizing the economy and its restructuring.

Our balance of payments with other countries has been consolidated. We are meeting all our commitments in accordance with the agreement with the IMF and our creditors. The main stimuli for a rise in production are exports which clearly show a strong exponential tendency. Up the 25 September, our exports showed a rise in the hard currency area of 9.4 percent. If changes in monetary relations are excluded, the actual increase in exports is about 15 percent. Our orientation is to achieve in the next few years a rise in exports of at least 20 percent a year, because without this we will not be able to achieve a rise in the social product necessary to pay for the burdens created in the past and provide funds for the current expenditure and the future development.

Our foreign exchange reserves have increased to a record of $5.153 billion as of 21 September of this year. From the middle of March of this year alone, our foreign exchange were increased by $2.213 billion which, together with the reduction of the short-term loan, amounts to some $2.7 billion. It must be added that about $830 million of our foreign debt has been definitively extinguished. We used some $480 [Markovic corrects himself] $450 million for extinguishing this debt, which means that with extinguished $1.8 of our debt with each $1 spent.

The positive effects of these operations in terms of savings on discounts and interest repayments, exceed $1 billion. We are the only debtor country that has succeeded in achieving such results in the field of economic relations with other countries. The question of foreign exchange liquidity shortage no longer appears at all any more, so this is a very favorable basis for taking the economic policy measures and for a more resolute struggle against inflation.

Imports have been normalized and no longer represent an obstacle to the free conduct of production. The Federal Executive Council has now also carried out a further liberalization of imports in the consumer goods sector by reducing import duties and directing the economy toward the import of cheaper goods. We should now turn toward production, toward reducing costs, improving the quality of our products, keeping to delivery dates, and winning new markets. Since we have provided all the opportunities for unhindered exports—including a stimulating rate of exchange and other incentive measures—it is now up to the exporters to take up the role of making production and the restructuring of our economy more dynamic.

Having in mind the measures proposed by the Federal Executive Council now, we believe that we will reach agreement with international financial institutions in the course of the coming months, and with the creditors afterwards. It is a fact that in the past 3 years, we paid over $12 billion dinars in hard currencies as repayment of the principal and interest, and we paid almost $2 billion in 8 months of this year, without obtaining any fresh loans this year.

Of course, the question of accumulation now rears its head, and no longer the question of foreign exchange liquidity. Our medium-term and long-term foreign debt in hard currencies at the end of July amounted to $16.9 billion, and our net hard currency debt after the deduction of our claims on credits amounted to about $14.2 billion. In view of this, we see no reason for misunderstandings with the creditors. On the contrary, we rightly expect their understanding and support in our program of stabilization, development, and restructuring of the economy. This implies a wider cooperation with foreign capital, as well as a full normalization of our access to the world financial market.

Sixth: It is necessary to refer to the situation in the economy and to the need of its adjusting to the new conditions of business operations. The burden of losses, devalued property, and doubtful claims is heavy, and this all together hinders it and forces it to struggle for its survival. The most creative cadres are preoccupied with the solving of the daily problems instead of advancing the technology, the organization of work, internal economies, winning new markets, design, and so forth.

It is, therefore, essential that every enterprise should draw up a realistic balance sheet and establish the real situation, and find solutions for the existing losses by involving interested partners at home and abroad, fresh capital, new technology, and new markets, and should set itself up accordingly as a joint-stock or a mixed enterprise. One should not fear to, in quotes, alienate a portion of the property, with the preference of selling it to the workers of the enterprise wherever possible.

Solutions may also lie in issuing bonds or shares so as to obtain funds for development, in stimulating the motivation for entrepreneurship, in preparing cadres for business under market conditions, in renewing the managing board [poslovni odbor], in renewing the workers councils, in a new role of the trade unions, and so on.

I emphasize that every enterprise must search for a specific solution for every problem above all by itself and must find it within itself and with its workers, in cooperation with interested partners at home and abroad, with banks, and with its sociopolitical communities.

Wherever such solutions cannot be found, the insolvency procedure [postupak stecaja] will inevitably have to be initiated.

It is clear that the transformation of the economy on market foundations will not be equally difficult for all the republics and provinces. It is an encouraging fact that all the parts of the country agree in their views on the need of a market-oriented economy. Now is a chance for the Fund for Encouraging an Accelerated Development of Economically Underdeveloped Regions to be transformed and reorganized in keeping with the changes of the economic system as a whole, and to become an efficient institution that stimulates and ensures a more rational use of resources, encourages domestic and foreign enterprises to invest in the economically underdeveloped regions, and provides and finances technical assistance, the training of cadres, and research and innovations.

The Federal Executive Council is aware of the gravity of the problem of the underdeveloped regions, and is prepared to cooperate in assessing the situation and to help with measures, above all measures of a market nature, that must be taken in the transitional period.

Seventh: in such times, social policy has special importance. In crisis periods, the most balanced spreading of the burden and aid to the most deprived is a social imperative but also an economic necessity so that the crisis is surmounted in society with as few conflicts as possible and the course of reform is not threatened.

Thus, the adoption of social programs is indisputable and the Federal Executive Council sees two important areas of social action along this line. The first is in the domain of social security which is in the jurisdiction of self-managing interest communities and the appropriate institutions of communes, republics, and provinces. In cooperation with these, the federation can help as an additional factor by contributing to jointly covering expenses, bearing in mind the situation in certain parts of the country. In this sense, by surrendering part of the federation's revenue from tax on tobacco, the Federal Executive Council has contributed to expanding sources of revenue for aid to the most deprived.

The second area of social action is no less important but is certainly more difficult; it involves the problem of illusory employment which is estimated at around 20 percent of current employment at the Yugoslav level. In the process of reorganizing the state and social activities, the financial rescue of the economy, and its restructuring, an increasingly acute problem will be how to provide retraining for workers who leave enterprises as part of the economic and technological surplus of labor, and how to ensure that they are accepted for and that they fill new jobs and are productively employed.

We intend to, on the one hand, open up an appropriate process for the modernization of the economy and changes to its structure and, on the other, to prevent the subsistence and basic rights of workers from being put at risk, while they are training for new jobs.

It has been shown that to solve such serious problems it is essential to establish social institutions which will be concerned with these problems and have the corresponding finance from different sources.

However, in all of this the Federal Executive Council will endeavor to ensure that a discussion is begun as soon as possible in the SFRY Assembly and among experts so that the necessary realistic proposals can be swiftly put forward.

Eighth: Even though at this stage of the struggle for stabilization and the curbing of inflation—because of the contractional effect of measures of anti-inflationary policy, the great doubtful claims in our economy and society which should be eliminated, the technological backwardness of production capacities, and the lack of accumulation—it is not possible to more quickly achieve more significant results in speeding up economic growth, we must at all costs search for ways of beginning the process of the realization of a new concept of developmental strategy. Its focus should be aimed at a stronger opening up of processes of shaping new production structures so it will be export oriented, particularly in those economic activities where there are available resources and unused possibilities like tourism, agriculture, transport, small businesses, and so on.

This should include small, moderately organized enterprises, particularly intended for quicker adaptation to the demands of the domestic and world markets, which are at the same time labor intensive. The new economic system based on the pluralism of ownership treated in the same way as all forms of ownership and the integrated market creates favorable institutional possibilities for realizing this orientation. Thus, it creates an adequate division of labor and the infiltration of certain forms of ownership in these sectors of the economy because it can achieve the greatest results. This is because they stimulate saving and a free flow of accumulated funds toward places where earnings are highest and constitute a new system of financing reproduction for working and developmental needs and of collecting finance through securities.

Second, ensuring that resources are adequately allocated stimulates the economization of production sectors and raises the efficiency of economic operation onto a higher level. Priority should be given to joint investment, using foreign finance, marketing, organization, and technology. Preparations should be completed to this end and some of the great infrastructural and developmental projects should be promoted on the world and particularly European market on a commercial basis using legal provisions concerning foreign investment and the concept of construction and exploitation.

The economic policy measures and taxation, credit, and foreign trade policies will stimulate all these processes because only by speeding up economic growth and development on healthy bases can lasting conditions be created for the stabilization of the Yugoslav economy, for the way out of the crisis, and for increasing employment, the living standard, and the well-being of society, which is the ultimate aim of our economic development policy.

Ninth: I have intentionally left the problem of inflation until the end of this part of my speech. I wanted to sketch the necessary institutional changes and the general frameworks of macroeconomic policy so that, on the basis of what has been done and what is to come, we could more realistically and quite specifically consider the possible ways for overcoming inflation and take a stand supporting what the Federal Executive Council has decided to propose to the SFRY Assembly.

I would first of all point out that it is not necessary to exhaustively demonstrate the entire destructive nature of inflation and the necessity to overcome it as soon as possible. The history of economic theory contains many examples of the economic and social body being destroyed as a consequence of long-lasting inflation. What we call the measures needed to curb inflation is not a problem either. The most important thing is that they work.

Since the beginning of its work, the Federal Executive Council has held the view that inflation is the most important problem, and everything that it has been doing and proposing has had the aim of creating the necessary prerequisites and conditions to surmount this.

For these reasons, at the beginning of my speech I spoke about the problems in switching over to the market way of conducting business affairs and about our serious **inheritance,** not only in terms of the enormous foreign debt, but also in terms of the even greater deficits of public financial institutions, banks, and the economy. Even if we had had all the necessary market institutions set up at that time, we would not have been able to curb inflation easily and overnight. Without these institutions, that is the labor, money, and capital markets, in the battle against inflation we would have had to operate with the old arsenal of administrative and unproductive measures which would reinforce the existing situation of the incipient process of economic changes and slow them down.

One should also mention other major constraints and distortions in economic trends. After all, we are talking about the time when we had a relatively low level of foreign exchange reserves which could hardly cover imports for 1 month, about deeply disturbed price relations which can only be corrected by the market, about great distortions in personal incomes which often have no economic justification, about complete disorder in the monetary sphere, and about the fact that under such conditions the National Bank of Yugoslavia was not able to control aggregate monetary measures. As a consequence of this, the trends in this sphere represented a strong generator of inflation, and so forth.

Aware of all this, the Federal Executive Council acted in several directions to create the preconditions for the use of those methods which would be most suitable for curbing inflation under these conditions. The measures of an anti-inflationary character are briefly mentioned here, although I already spoke about them at the beginning.

The liberalization of foreign exchange dealings, the stimulating of exports, and a gradual liberalization of imports have not only mended our economic position in relation to other countries, but have also provided foreign exchange liquidity and created a high level of foreign exchange reserves. This is one of the essential conditions for a more resolute undertaking of a wide spectrum of measures needed to combat inflation.

The liberalization of prices has established more economically justifiable price relations. This is also an important condition for the further necessary steps in checking inflation. In the preparatory stage, we tried to maintain the production level in order not to make the situation more difficult, especially the social situation, which is grave enough without this. We also undertook measures to ensure the highest possible agricultural production.

We also tried to eliminate all irregular methods of payment, ensure that all liabilities are met, and that there are correct accounting records of business performance, because this is the condition for a good insight into the situation and for undertaking appropriate measures.

Together with the National Bank of Yugoslavia, the Federal Executive Council has done everything to enable it to efficiently carry out its functions as a monetary institution, without which any model of curbing inflation would not be successful. The Federal Executive Council proposed a law on the bases of the taxation system and agreements that should facilitate the appropriate pursuit of a joint fiscal policy, without which the entire burden of carrying out the straggle against inflation would rest only on the monetary policy. It proposed a labor relations law as the basis for founding a labor market. This law was adopted. With the proposal for a law on setting up a money and securities market we initiated the process of founding the money and securities market. Taking this into account, the concept of the Federal Executive Council on curbing inflation consists of the following:

a—Because the main characteristic of the present high inflation is the incorporation of inflationary expectations into the prices—which means sale in future prices instead of current prices that correspond to the present cost of production—inflation, regardless of its original generators, feeds on itself and accelerates unstoppably regardless of its original generators.

The Federal Executive Council is trying to eliminate all those elements of inflationary expectations which it can influence by means of systemic and economic and political measures. One of the most important things is the intervention already carried out in setting prices that are of interest for the country as a whole. In view of all this, the Federal Executive Council is demanding and will do its utmost to ensure that this is carried out consistently, that the interest on purchase credits and other customer costs are no longer included in the cost of production.

What with the 90-day credit, which at present by no means constitutes the upper time limit of credits in trade and industry, and the 30-percent inflation a month, more than one half of any price consists of the interest and the credit advanced to purchasers. Because this decision was not implemented, future inflation continued to be built into the prices especially during the course of September, when the retail prices of some products are three or four times higher than producers prices, and an unprecendently high inflation is to be expected in September.

Considering that the inflation expectations built into the price are primarily psychological in nature, all the pressure for, or even any hint that a freeze of prices and wages is necessary—and there were many recently—and the lack of acceptance of a part of the anti-inflationary measures have a pernicious influence and may continue to have a pernicious influence on a further escalation of prices and inflation.

The Federal Executive Council will insist that in accordance with the law on settlement of liabilities, any payment delayed by a single day should incur interest charged to the credit user, and the interest should not be included in the price. This will induce the economy to make payments more promptly **and should result in** price reductions.

In this way the interests of consumers will be protected, and because of higher sales, **which will lower prices, the interest of producers will be too.** It is in the economic interest of both producers and traders that the interest and revaluation [revalorizacija] be eliminated from the prices and that thus the price increases be reduced, and that on this basis, turnover, production, and profits should increase.

In this connection, the Federal Executive Council will **adapt** the use of credit paper in the direction indicated, above all the use of the bills of exchange as a means of non-cash payments.

In the same way, on the basis of an analysis of the functioning of the accounting law, the experience gained in its implementation will be examined and the necessary corrections will be proposed to eliminate the shortcomings noticed both in order to ensure that the statements of accounts **and forecasts** are realistic, and in order to reduce the incentives to inflation.

b—Research shows that the economy, noneconomic activities, and the budgets, pay high inflation taxes because of the slowness in collecting revenues under the conditions of social ownership. The budgets of the social activities budgets suffer an especially high inflation tax because they are so sluggish. Therefore they push up the rates of taxes and contributions and shift them over to the final consumers, and ultimately the burden is shifted on to the economy which in turn builds it into prices in the form of inflation expectations, thus pushing the prices to a much higher level. If we prevent this, we will contribute to a further reduction of inflation on this basis.

c—In order to conduct a successful struggle against inflation, we will insist that the monetary policy should be fully subordinated to this goal. There can be no efficient anti-inflationary policy without a monetary policy. The National Bank of Yugoslavia must assume as its primary task to preserve the value of the national currency and thus to stop the slide in the purchasing power of the dinar. To make this possible, measures will be taken to reduce considerably the part of the primary money issue that is not under the influence of the National Bank of Yugoslavia, and the bank should to a greater extent or more flexibly use the instruments of quantitative monetary policy at its disposal, above all the obligatory reserves of the commercial banks.

With this aim in mind, measures will be taken to reduce, and possible to abolish, the fiscal nature of the existing system of obligatory bank reserves. From the need to invest the temporary available budget funds through the money market, which has been mentioned earlier, it follows that the sales and purchases of securities on the so-called open market will begin shortly.

d—Because of the institutional automatism in the primary money issue, as well as because of inflation which, in the shape of inflationary expectation and inflation tax, is built into the costs and thus the prices, an exceptional monetary expansion occurred at of the beginning of June this year. To at least partially alleviate its effect on prices, measures will be systematically adopted to increase the money demand of the economy and of the population, and of all other subjects.

The said payment of personal incomes once a month, the measures to shorten the terms of payments, prompt payments of taxes and contributions, preventing the non-cash-payment instruments being misused as means of obtaining credit, and some other measures should be adopted so that they may effect a reduction in inflation.

e—It is indispensable that other socialist communities should also follow the example of the federation and that they make their contribution to the reduction of inflation by consolidating budgetary expenditure and outlays for interventions in the economy, by financing them from real resources, and by reducing the expenditures thus consolidated.

f—By identifying the public sector deficit—involving the federation, the National Bank of Yugoslavia, the self-managing interest communities, the republics, the provinces, the communes, and the social activities, which I have elaborated more extensively earlier—which must be carried out by the end of this year, by taking measures to mop it up with real resources, and by separating the National Bank from state finances, one will definitely extinguish one of the most important generators of inflation, and thus reduce it.

g—The identification of the deficits in the banks and the economy, and legally mopping them up and liquidating them—which I have also spoken about earlier—will also have a strong anti- inflationary effect. The measures taken to eliminate the causes leading to excessively high real rates of interest, to eliminate the deficits, to promote monetary regulation instruments primarily in the field of obligatory reserves, as well as to prevent loss-makers from managing the banks will act in the same direction.

The payment of personal incomes on the basis of results will eliminate investment on the basis of inflationary expectations. There is no need to explain this, because it was elaborated in detail earlier.

A further liberalization of imports, especially of consumer goods, which the excellent foreign exchange liquidity of the country makes possible, and the reduction of taxes and dues by about 14 percent adopted by the Federal Executive Council, will make possible a much greater wealth of supply, greater competition of goods, a greater range of good varying in quality and price. This will be a significant contribution to the struggle against a monopoly formation of prices both by the producers and by the traders.

A law against monopolies is also in the works, and we will use it energetically in our efforts to break up numerous monopoly acts in the segmented Yugoslav market.

The new concept of the role of the commodity reserves makes it possible to affect more efficiently the relationships in the market and prices, and thus has a damping effect on their rise.

A successful application of measures may be excepted to reduce considerably the inflationary expectations and to lower significantly the rate of inflation. Each of these measures has its role and constitutes a part of the overall efforts to achieve a major economic and psychological effect by eliminating the inflationary expectations as an element calculated into the prices as well as an element in reducing all the factors that affect inflation, and thereby opens the road toward curbing it.

Finally, I would like to say that both the Federal Executive Council and I personally understand that, in the present situation, the SFRY Assembly finds if difficult to accept and even rejects individual measures, because it does not see their role and place within the entire context of the program of the Federal Executive Council. For that reason, I presented the essence of the entire program of the measures of the Federal Executive Council. One can now see that what is involved are not isolated measures proposed ad hoc, and that each one of them has its sense and functions within the entire program. It is for that reason that, reckoning with your understanding, the Federal Executive Council insists upon some of the measures that the SFRY Assembly had already discussed and then postponed or that it had failed to adopt in the past.

In conclusion, I would like to reiterate once again that the Federal Executive Council is aware of the fact that the situation is difficult and that the inflation has a destructive effect. In our opinion, success in the struggle against inflation cannot fail if one creates prerequisites for the economy so it can be reoriented to the market conditions for conducting economic operations, if market instruments for managing the economy are created and activated, and if the foundations of the new economic development policy are developed in conformity with all that. These tasks have been completed in several months and thereby the main systemic conditions have been created and some important material conditions ensured for proceeding with the work on overcoming the inflation in such a way that economy can function and be market oriented.

As has already been said, any action aimed at reducing the inflation radically by using well-known methods and without the above-mentioned conditions, would show after a short time that its success is illusory, because the economy lacking market institutions would continue to work and behave as before. Examples of such unsuccessful attempts abound.

For this reason, the Federal Executive Council has decided to take steps in the following order:

a—You have in front of you the proposals of the measures that the Federal Executive Council thinks should be adopted together with the other laws pertaining to the formation of the new economic system based on market foundations. Immediately after these are adopted, the Federal Executive Council will insist that all measures that should lead to eliminating inflationary expectations should be implemented. With this in view, immediately after these measures are adopted, the Federal Executive Council will form a team with the task to have these measures implemented immediately and consequently to the end. The responsibility for this cannot rest on the Federal Executive Council alone. In this respect, we justifiably expect all assemblies and their executive organs, control organs, and above all the enterprises, to be aware of the responsibility all of us bear: Everybody should do his share, because the success of these measures will much depend on that.

b—In the meantime, one must work even more efficiently on establishing normal market institutions and mechanisms and one must elaborate fully and operationalize the economic policy in all its spheres and upon the foundations I have presented here.

c—Considering that we have pointed out even before that no solutions are given for good and that this program of the measures of the economic policy is open, the preparations for the final program of bringing down the inflation are currently under way at the Federal Executive Council. We shall propose this program when the necessary quantitative and qualitative aspects of this enterprise are taken into account. Until then, one must reach social consensus about the character of economy and society, proceeding from all I have said in this speech.

In the present political situation in the country, this could be that step which will unite all forces that agree that the only way out of the crisis and the only perspective of development lie in the social reform. This will not be in the least easy or painless, but there is no other way out. Considering all that has been sacrificed so far, one must not miss the opportunity to make this decisive step, all the more because we are now at the stage of the escalating inflation.

The time is a very important factor in all this. The success of the reform depends on the speed and completeness of the process of adopting and implementing these measures as a full program. As you can see, we are now racing against time. What is involved are not years, but months in which one must bring down the inflation. This will be an extremely difficult task considering the years we missed, the lag in development, material situation of the population, and the great liabilities of the economy.

Only after we **realize that,** will the roads open up for the renewal of economy and society and for the perspective of development in conformity with the times we live in and with the development of the world.

Considering the long crisis and the grave situation with the socially deprived population strata, one must examine the possibility to activate the unused potentials of additional resources with a view to making everything that is being undertaken—and particularly that which will follow—much easier to endure.

In the first place, it is necessary through economic policy measures by the banks and economy to stimulate the savings of citizens and enterprises, then act in the same way through all internal measures undertaken by enterprises: remuneration, economizing on factors of production, improving on internal economy, increasing labor production, increasing turnover rate, improving on the range of goods, motivating entrepreneurship, increasing the interest in accumulation as a means of survival of every enterprise and a promise of its future and thus in the existence and perspective of every worker and his family act as the only realistic alternative for opening the process of new development and employment.

The second real possibility is to activate the huge social capital invested in the social-housing fund. In addition to stimulating the special purpose savings and construction for the market, one should also facilitate the purchase of socially owned apartments through economic rents in the first place

If somebody who rents accommodations is prepared to pay the full economic rent, he should be able to become the owner of that accommodation over a period of 20 or 30 years. Regarding mortgages for new apartments, they should be set on the same bases. Starting this process would be of great importance in view of the fact that almost one tenth of the social wealth of our country is in the housing stock which is gradually deteriorating due to neglect, and in view of the fact that we lack funds for the construction of new dwellings.

Selling apartments and activating the housing construction and the construction sector we would simultaneously achieve several aims: mobilize funds, increase savings, and finance new construction with individual participation and favorable bank loans on the bases of the accumulated funds from the sale of apartments.

The Federal Executive Council is working on this program and will soon present its proposals to the public. The Federal Executive Council's intention coincides with similar moves in some republics and provinces.

Third: In agriculture, which has been exhausted with the treatment it has received hitherto, there is a concentration of significant potentials which should be activated with adequate social and economic treatment of agriculture and village. It has been correctly observed by the people involved in agriculture that there is no stabilization without a stable and prosperous agriculture. The Federal Executive Council has proposed to the SFRY Assembly a package of measures which should be discussed in this house as part of a long-term project which, in addition to **removing** ideological and other restrictions with which agriculture has been hindered, will also start the process of its accelerated consolidation and above all development. This is not only an economic necessity, but also part of the project of creating a new economic and social structure of Yugoslavia.

Fourth: We must not forget the considerable potentials that exist in the sphere of tourism and small businesses which have been achieving a series of increasingly important results. They should also be a subject of special attention of the economic policy.

Fifth: As I have already mentioned before, trade and its abilities to provide a flow of goods and funds via all artificial and actual borders, to restrict monopolies and influence the new structure of the economy, is another major factor with unused potentials. However, in trade we must radically change the methods of work. If anyone needs to learn and adopt the methods of modern marketing, it is trade.

Sixth: The available foreign exchange instills security for undertaking bolder ventures, supports the most progressive, boldest economic and other ventures, and serves as the basis which relieves the economy of uncertainty and fear from sudden changes in the conditions for conducting business affairs at home and abroad. To businessmen themselves it provides certainty in the transfers of their earnings. It represents a defense from nervous, sudden, and hasty measures and fears that the country will become illiquid.

Seventh: In the process of financially rescuing the economy and starting a new cycle of development, the new ownership relations in our country and new forms of management in the mixed and other forms of enterprises will make it possible to transform some socially owned enterprises into mixed enterprises, to partially sell them, transform them into joint stock companies and in this way create conditions for the inflow of new fresh funds from the country and abroad. The money and securities market, which will start to operate next month, and the urgent need to rescue the economy and provide the successful enterprises with the funds for capital accumulation in order to expand, are the realistic chance to start moving from the present situation in which investments are increasing smaller, and to simultaneously and directly, after surmounting inflation, start a more dynamic life and development.

Only this can turn us toward the future and the building of a new and prosperous society. In all domains of the economic policy this course should be stimulated with specific measures. This will arouse the interest of all those who own funds to invest them productively.

Finally, everything that we have been doing entitles us to the right to full understanding from other countries and help in our efforts to above all expand our economic relations with the world and to the confidence that investing in Yugoslavia will be of mutual benefit.

We are one of the very few debtor countries that has been regularly meeting its obligations to its creditors. I am convinced that the new funds will not be lacking if we offer programs and ideas with realistic chances for the success of joint ventures. In this context we will hold negotiations with the major partners, the strongest and most developed countries, and of course, the IMF and the International Bank.

Not wishing to deal with the numerous other obligations about which we are going to hold special discussions here, as the chairman of the Nonaligned Movement we will have a lot of work in activating and solving the key problems of the development of the present world in terms of North-South and the problems concerning mutual economic relations, especially the problems of development and debts.

I must stress [Markovic corrects himself] we must come up with new ideas for solving this problem and be ready for the broadest possible international cooperation and dialogue.

Comrades, I stressed at the beginning that for the successful planning and implementation of the economic reform, it is essential that changes in the political and economic system be mutually dependent and implemented in parallel. I also indicated some questions in the economic system for which it is not possible to find adequate solutions because of constitutional limitations. Having stressed that they are of particular importance for the successful stabilization of our economy and the way out of the crisis, the Federal Executive Council, as one of the authorized initiators of changes to the SFRY Constitution, will give the initiative for opportunities to be created through the necessary changes in the existing constitution for regulating these questions.

We are talking above all about questions that relate to the actual owner of social property and his responsibility for using social capital. In this respect, of particular importance is the fact that these changes facilitate the transformation of property into other forms of property and its purchase, including its purchase by foreign workers in specific enterprises. This would create wide opportunities for new and profitable enterprises to be created and for the resources that are lacking for current developmental needs, the financial rescue of many enterprises, and increasing the overall efficiency of the economy to be provided.

Because of the importance of the material and the fact that it will not be possible to implement the constitutional changes so quickly, the Federal Executive Council is asking for the support of the SFRY Assembly so that, through a creative interpretation of the Constitution, these questions are immediately regulated in an appropriate way in a law which will soon be proposed. These questions include the fiscal system, including the taxation system which would be constructed on the aforementioned changes, and the rights and obligations of the Federal Executive Council in the field of economic functions of the federation. This involves the need to eliminate certain constitutional limits which prevent the Federal Executive Council—within the framework of its role and responsibility for the situation in the country—from being able to take appropriate measures within the framework of macroeconomic policy and implement federal laws and other regulations in this field.

The prerequisite for efficiently carrying out the functions of the state in this domain is the creation of general conditions for economic operations in the context of the full application of an integrated market. This is an important prerequisite for successfully and effectively conducting macroeconomic policy, particularly in the field of monetary and fiscal policy and foreign economic relations policy, without which there is no corresponding modern role for the state in the system of a market economy.

Changes in the political system which concern above all the organization of the entire social superstructure, the place and role of the state, sociopolitical organizations, and economic associations **depend on** the need to create a constitutional foundation for reform in these domains which would be in line with the market character of the market, based on mixed ownership and the construction of a modern democratic society.

Comrades, in what I have just said, I have explained our earlier and future economic policy measures of an anti-inflationary nature along the line of the program that you accepted as a Yugoslav orientation—when you entrusted me with the mandate—for a successful way out of the crisis and the prosperity of the country. We do not have any dilemma that reasoned dialogue, critical verification, and joint consideration are an essential condition for a democratic society to reach the right solutions, particularly in crisis periods. We need this spirit more than ever now, not only here and now but everywhere and every time a discussion is conducted, particularly when this involves questions that are crucial for the future of the country. Confrontations without arguments and without the possibility of dialogue, in general and particularly among the republics and provinces of the federation, among the trade unions, and in political organizations lead nowhere.

Contrary to this, the easiest way to come to the way out of the serious situation and comprehensive solutions even for the most serious problems is through argued dialogue and the presentation of programs without preconceptions, prejudices, and prior accusations and stands. Much more mutual consultation and a qualitative check on every enterprise and proposed step will allow improvisation, easy answers, and ready-made prescriptions to be avoided.

We must find the end result in short-term, specific, and long-term interests and measures. We should not allow the future to darken and be lost under the burden of the present day, or to lose sight of the obligation to resolve the real problems effectively and quickly. Working in this way, we will have the full support of all the progressive forces in our country, which exist in all areas of Yugoslavia, and we will jointly and decisively embark on implementing the reform that we have unanimously decided on.

It is impossible to motivate a person in a statistical future with unrealistic promises that we can extricate ourselves from the crisis overnight. We must be aware that the battle for the reform that we have started will not be without sweat or even tears. However, if every person in this country completely realizes what he will gain in this battle—him as an individual, as well as his family, his existential and work community, his republic or province, and our Yugoslav community as a whole—and if he realizes that we do not have either the time or reliable alternatives, I am sure that he will heartily join in with it.

With the measures that have been taken so far and future ones, we are consolidating conditions so that the prosperity of every individual to depend on himself, his knowledge, expertise, diligence, effort, initiative, and creativity and his concern for the quality of what he produces or undertakes. In brief, prosperity depends on his work and results of work. This in fact creates many opportunities for motivating all factors in our community, from the individual to the whole of society, and for the better ones to be even better and for others to look to them.

All this today and tomorrow are the realistic pretensions of new socialism. No country or people is immune from crisis nor destined only for success. If we paged through history every time, we would realize from the examples of any people that have experienced crisis, that the present crisis is not our inevitable destiny and we will come out of it through joint efforts. The best way is the prudent and realistic facing of problems with the least possible ideologization and one-sided insistence on only one's own view and with more pragmatism and a sense of what is practical and realizable in the daily facing of life's problems in this computer and electronic age which requires argument, reason, precision, and certainty.

This of course does not exclude but assumes our clear orientation toward the society and economy for which we are struggling.

Please allow me to say what I am about to say and do not interpret it as emotion but as a call to sound reason. In the present quarrels, when Yugoslavia and its future are even being undermined and when all sorts of claims are used to represent Yugoslavia as some kind of construction or artificial creation, a very sober objective analysis of Yugoslavia and its possibilities would unambiguously show that this is not true. Despite all its contradictions, it represents an uncommonly successful composition with important advantages for all its peoples and nationalities, which are placed alongside each other like an interesting mosaic.

In the name of reason, in the name of the accountability of everyone before the people, the younger generation, the future, and before history, we must embark as soon as possible on resolving the real problems through proven values and the real advantages of this country, so that we can catch up with the world. Yugoslavia—turned toward European trends and the world—has quite different problems and different imperatives to those which now divide us and make us small and impotent in the eyes of the world.

Each one of us, and especially all of us together, has the right to a better destiny. It depends only on us and in this respect, we are all sitting the examination of history. Thank you.